

# HOME HOMEBUYER AND HOMEOWNER REHABILITATION (HHR) MANUAL

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**SECTION I. HOME HOMEBUYER AND HOMEOWNER REHABILITATION (HHR) PROGRAM REQUIREMENTS**

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## **A. Background**

The HOME program is administered through the Department of Housing and Urban Development (HUD). It was signed into law as Title II of the Cranston Gonzalez National Affordable Housing Act in 1990, and has been amended several times by subsequent legislation. The intent is to:

- Provide decent affordable housing to lower-income households;
- Expand the capacity of nonprofit housing providers;
- Strengthen the ability of state and local governments to provide housing; and
- Leverage private-sector participation.

HOME funds are allocated by formula to state and local governments that are called Participating Jurisdictions or “PJs.” PJs utilize the HOME funds for four main categories of housing activities:

- Homeowner rehabilitation and reconstruction;
- Homebuyer assistance (acquisition & rehabilitation, new construction);
- Rental housing development and rehabilitation; and
- Tenant based rental assistance (TBRA).

Public facilities are not an eligible activity under HOME.

## **B. Uniform Administrative Requirements**

The HOME Program rules specify certain administrative requirements that must be followed and incorporated into program operations. Some of the Uniform Administrative Requirements are contained in the contract between the Department and the Grantee. In the event of conflict between the language specified in a grantee’s contract and this handbook or other supporting documents, the provisions in the contract shall take precedence. All HOME funds must be used in accordance with these requirements, regardless of whether funds are used by Community Housing Development Organizations (CHDOs), sub-recipients, state recipients, or contractors.

### **Consistency with Consolidated Plan**

Grantees are required to use HOME funds in a manner that is consistent with the activities identified in the current State of Wisconsin Consolidated Plan and that are supportive of the housing goals identified in the Consolidated Plan. HOME awards and program format are designed to meet the parameters outlined in the State of Wisconsin Consolidated Plan.

### **Program Targeting and Income Verification**

The HOME Program mandates that all HOME funds benefit low to moderate income families. A low to moderate income household is described as a household with an income at or below 80 percent of the county median income (CMI) adjusted for family size.

Income eligibility is based on the anticipated annual (gross) income of all adults in the family. To determine a household's eligibility, a "snapshot" of the household's current circumstances is used to project future income. It is assumed that today's circumstances will continue for the next 12 months, unless there is verifiable evidence to the contrary. The HOME regulations require that income eligibility of applicants be determined by examining source documents (e.g., wage statement, interest statement) evidencing annual income.

The method used for the State HOME program is the annual income as defined in 24 CFR Part 5. This definition was formerly commonly referred to as the Section 8 definition. The Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

### **HOME Investment per Unit**

The **minimum** amount of HOME funds that must be invested in any activity is \$1000 for every HOME-assisted unit in the activity. The minimum **only** relates to HOME funds and **not** to any other funds that might be used for activity costs.

The **maximum** per-unit HOME subsidy varies by area and is calculated by HUD annually. The current maximum HOME subsidy limits for Wisconsin (by number of bedrooms) are available on HUD's website at:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/affordablehousing/programs/home](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/programs/home)

or the Department of Administration, Division of Energy, Housing, and Community Resources, HHR web page at:

[DEHCR HOME Homebuyer and Rehabilitation Program \(HHR\) \(wi.gov\)](#).

### **HOME Purchase Price or After-Rehabilitation Value Limits**

For owner-occupied and homebuyer properties, HOME limits the value or purchase price of the property. The price, or in the case of rehabilitated properties, the value may not exceed 95% of the county median purchase price as published by HUD. Current price limits are posted on the HUD website or HHR web page as stated above.

Acquisition Only: In the case of property that does not require rehabilitation, the sales price of the HOME property to be acquired by a homebuyer may not have a value that exceeds 95% of the area median purchase price for that type of housing.

Acquisition and Rehabilitation: If rehabilitation is required, the value of the property **after rehabilitation** may not exceed 95% of the area median purchase price for that type of housing. The after rehabilitation value estimate should be completed prior to investment of HOME funds.

### **Certified Homebuyer Counseling**

Requires all Homebuyer's to use HUD certified housing counselors. The following link can be used to search for certified counseling agencies: [Counseling Agencies \(hud.gov\)](#).

The following link can be used if grantees choose to become certified: [Everything You Need to Know about Certification - HUD Exchange](#).

## Written Agreements

Before any HOME funds are committed or disbursed, a written agreement or contract must be executed between the Wisconsin Department of Administration and the Grantee. The contract is a statement of the relationship between the Grantee and the Department and states the conditions under which the HOME funds are being provided. The contract must remain in effect for the relevant periods of affordability.

Homebuyer and Homeowner written agreements are also required before the activity can be set-up.

## Program Income

Program income (PI) must be used in accordance with the requirements of the HOME program rules as stated in 24 CFR 92.503. It must be returned to Division of Energy Housing and community Resources (DEHCR) and deposited in the participating jurisdiction's HOME Investment Trust Fund local account. Any grantee without an executed, current contract with HOME funding must also return any PI:

Repayments of HOME funds (such as money repaid to the Grantee through deferred and amortized loan payments) are considered program income. Recaptured funds are repayments before the affordability period is over. Grantees must have a mechanism in place to track both the receipt and expenditure of such funds. Both the receipt and disbursement of program income and recaptured funds must be tracked through financial ledgers or on software-based spreadsheets.

An Annual Program Income Report is also required to be submitted annually to the Division of Energy Housing and community Resources (DEHCR) listing the:

- Activity number;
- Program Income/recaptured funds received;
- Program Year/Contract Number

**Both program income and recaptured funds must be repaid to DEHCR each year when submitting the Program Income Report.**

## Match Requirement

The HOME Program requires Grantees to make contributions equaling 25 percent of the HOME funds it expends for housing activities completed each program year. These contributions are called "match" and they must be a permanent contribution from non-federal public and private sources. Examples of match include funds from local and state government, charitable organizations/foundations, and private sector lenders.

HOME funds may not be used as the "non-federal" match for other federal programs **except** to match McKinney Act funds.

## Financial Management and Audit Requirements

Grantees and other governmental entities receiving HOME funds must comply with certain financial management and audit standards promulgated by the U.S. Office of Management and Budget (OMB). In addition, the contract between

the Grantee and the Department contains financial management and audit requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

These uniform requirements for financial management systems, procurement, reports, and records are detailed in a series of OMB circulars. In addition, public entities must comply with certain provisions in 24 CFR Part 85.

Dependent on the nature of the Grantee's program, one of the following U.S. Office of Management and Budget (OMB) Circulars apply:

States, local governments, and Indian Tribes follow:

A-87 for cost principles, relocated to 2 CFR, Part 225;

A-102 for administrative requirements and 24 CFR Part 85 for the U.S. Department of Housing and Urban Development's codification of the grants management common rule; and

2 CFR Part 200 for audit requirements.

Educational Institutions (even if part of a State or local government) follow:

A-21 for cost principles, relocated to 2 CFR Part 220;

A-110 for administrative requirements, relocated to 2 CFR Part 215, and

2 CFR Part 200 for audit requirements.

Non-Profit Organizations follow:

A-122 for cost principles, relocated to 2 CFR Part 230;

A-110 for administrative requirements, relocated to 2 CFR Part 215, and

2 CFR Part 200 for audit requirements.

The "boilerplate" section of the HOME contract reflects the audit requirements. All Grantees must have a certified annual audit performed utilizing Generally Accepted Accounting Principles and Generally Accepted Auditing Standards.

**Federal Funded Awards:**

**Governmental Grantees**, or their assignees, including Non-Profit and For-Profit assignees, that **expend** \$750,000 or more in a single year from awards which funding originated from Federal Government sources shall comply with the Single Audit Act of 1984 (including the Single Audit Act Amendments of 1996), OMB Circular 2 CFR Part 200, and the

State Single Audit Guidelines issued by the Department. Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than nine (9) months after the end of the audit period.

**Non-Profit Grantees**, or their assignees, that **expend** \$750,000 or more in a single year from awards which funding originated from Federal Government sources shall comply with the Single Audit Act of 1984 (including the Single Audit Act Amendments of 1996) and OMB Circular 2 CFR Part 200. In addition, a separate footnote or schedule shall be included listing all awards which funding originated from State Government sources and the total cash expended under each of those awards for the year under audit. Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than nine (9) months after the end of the audit period.

**For-Profit Grantees**, or their assignees, that **expend** \$750,000 or more in a single year from awards which funding originated from Federal Government sources shall have a certified annual audit performed utilizing Generally Accepted Accounting Principles, Generally Accepted Auditing Standards and Government Auditing Standards. In addition, a separate footnote or schedule shall be included listing all awards which funding originated from Federal Government sources and the total cash expended under each of those awards for the year under audit. Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than nine (9) months after the end of the audit period.

One (1) copy of the Audit along with the Management Letter shall be submitted to the address listed below. Responses and corrective action to be taken by management must be included for any findings or comments issued by the auditor. If the combined total **expended** from all funding originating from Federal Government sources is less than \$750,000 in a single year, the Grantee, or its assignee, shall confirm in writing that the above audit requirements are not applicable. This confirmation shall be submitted to the address listed below.

**State Funded Awards:**

**NOTE:** If an audit is required under OMB Circular 2 CFR Part 200 as described above, then this section does not apply as State Funded Awards shall already be included in that audit.

**Governmental, Non-Profit, and For-Profit Grantees**, or their assignees, that **expend** \$100,000 or more in a single year from awards which funding originated from state Government sources shall have a certified annual audit performed utilizing Generally Accepted Accounting Principles, Generally Accepted Auditing Standards and Government Auditing Standards. In addition, a separate footnote or schedule shall be included listing all awards which funding originated from state Government sources and the total cash expended under each of those awards for the year under audit.

Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than nine (9) months after the end of the audit period. One (1) copy of the Audit along with the Management Letter shall be submitted to the address listed below. Responses and corrective action to be taken by management must be included for any findings or comments issued by the auditor.

If the combined total **expended** from all funding originating from State Government sources is less than \$100,000 in a single year, the Grantee, or its assignee, shall confirm in writing that the above audit requirements are not applicable. This confirmation shall be submitted to the address listed below:

Submit To:

Audit reports, including any accompanying letter of findings **or** the letter confirming that the audit requirements are not applicable should be emailed as a text searchable, unsecured PDF file to:

[DOABFMSingleAuditCoordinator@wisconsin.gov](mailto:DOABFMSingleAuditCoordinator@wisconsin.gov)

**Debarred Contractors**

Federal funds may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor or subrecipient during any period of debarment, suspension or placement of ineligibility status.

Grantees are responsible for checking all contractors, subcontractors, lower-tier contractors and subrecipients against the federal publication that lists debarred, suspended, and ineligible contractors. Information is available at the following website:

<https://www.sam.gov/portal/public/SAM/>.

**Planning and Administrative Costs**

Each Grantee may receive administrative funds of up to 10% of the housing assistance funds awarded for reasonable planning and administrative expenses. The Grantee may pay for administrative and planning costs, most often including salaries, wages, and related costs of staff responsible for HOME Program administration.

Grantees may choose to include one of these methods each year:

- Either the entire salary, wages, and related costs of each person whose primary responsibility involves program administration, or
- The prorated share of such costs for each person involved in program administration.

In addition to staff salaries and related costs, HOME-related planning and administration may include:

- Goods and services (overhead) necessary for general HOME Program administration (e.g., utilities, office supplies, etc.);
- Administrative services under third party agreements (e.g., legal services, auditor, consultant);
- Providing public information;
- Fair housing activities;
- Indirect costs (e.g., rent, utilities, and other costs shared among several Grantee departments); and
- Compliance with other Federal requirements such as environmental surveys, historical review, and lead regulations.



Staff, overhead, and certain compliance costs that are incurred by the Grantee and which are directly related to carrying out specific HOME projects, may be charged as either planning/administrative costs or as project-related soft costs.

Whichever method is chosen must be applied throughout the contract period of performance. Soft costs incurred by a property owner are considered project-related and cannot be charged as administrative costs. (For example, if the property owner hires and pays for an appraisal, this is a project cost.)

Indirect costs such as office rent, utilities, maintenance, and other costs that are shared between two or more departments, agencies, or programs can **only** be charged against HOME program administration using a cost allocation plan that has been prepared in accordance with OMB Circular No. A-87 ("Cost Principles for State, Local, and Indian Tribal Governments") or OMB Circular No. A-122. ("Cost Principles for Nonprofit Organizations") These types of costs are **always** administrative costs.

Accounting and reporting requirements are simplified by charging costs to administration and planning; however, a Grantee may not be able to pay all such costs under the administration and planning cap limit. Costs charged to a specific project count toward the maximum per-unit subsidy limit and trigger the 25 percent match requirement.

**Note: If a project does not go forward, project delivery costs must be charged as administrative costs retroactively.**

### **Recordkeeping**

Grantees must establish and maintain complete written records to document that the HOME Program requirements have been met. Consequently, the Grantee should establish documentation and recordkeeping requirements that apply to Grantee staff and all entities receiving HOME funds. In addition, the contract between the Grantee and the Department contains record keeping requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

Grantees must also provide citizens and other interested parties with reasonable access to records, consistent with applicable state and local privacy and confidentiality laws. HUD and the Comptroller General of the United States, or any of their representatives, have the right to access any records of any Grantee or sub-recipient for auditing, excerpt, or transcript purposes.

### **Property Standards**

HOME assisted properties must meet certain building and quality standards, depending on the activity being undertaken and/or the type of housing.

### **State and Local Standards**

State and local building codes and ordinances apply to any HOME-funded project regardless of whether the project involves acquisition, rehabilitation, or new construction.

All new manufactured HOME-financed housing must meet the construction and safety standards of 24 CFR Part 3280. New manufactured housing must be installed according to the most current state and/or local codes or the manufacturers written instructions.

### **Housing Quality Standards**

For acquisition-only projects, if there are no state or local codes or standards, Section 8 Housing Quality Standards (HQS) must be used. An HQS inspection is the standard inspection for use on HHR assisted activities.

### **Rehabilitation Standards**

All HOME-funded rehabilitation work must meet the HOME Minimum Rehabilitation Standards. These standards are similar to work specifications and generally describe the methods and materials to be used when performing rehabilitation activities. Grantees may utilize more stringent standards when completing rehabilitation but they must be incorporated into the work specifications provided for bidding purposes.

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

A CHDO is a private, non-profit community-based organization with qualified staff that receives HOME funds as an owner, developer, or sponsor of affordable housing. To qualify as a CHDO an organization must meet the requirements of each of the following areas as defined by HUD:

- Legal structure;
- Independence;
- Accountability to low-income community; and
- Staff capacity for developing and selling for-sale housing (including construction oversight, financing, homeownership counseling, sales and marketing and mortgage financing) and at least one-year of experience serving the community where the housing will be built.

Funding for CHDO projects cannot be established until all necessary financing is secured, a budget and schedule is established, underwriting and subsidy layering is complete, and construction is scheduled to begin within 12 months.

HUD requires that 15% of the State of Wisconsin HOME allocation must be set aside for housing that is owned, developed, or sponsored by CHDOs.

### **Activities**

Eligible CHDO set-aside activities include:

- Acquisition and/or rehabilitation of homebuyer properties;
- New construction of homebuyer properties; and

- Direct financial assistance to purchasers of HOME-assisted housing that has been sponsored or developed with HOME funds by the CHDO.

## Defined Roles

A CHDO is acting as an owner, sponsor, or developer when:

- Owner: A CHDO is considered an owner of a property when it holds valid legal title or has a long-term leasehold interest (99-year minimum). The CHDO may be an owner with one or more individuals, corporations, partnerships, or other legal entities. A CHDO may be sole owner and have another entity act as developer or it can be both the owner and developer of its own project.
- Sponsor: A CHDO sponsor must always **own the project** prior to and/or during the development phase of the project.
- Developer: A CHDO is considered a developer when it either owns the property and develops the project **or** has the contractual obligation to a property owner to develop a project.

**NOTE**: When providing homebuyer housing, a CHDO is considered only as a developer.

A CHDO **may not** undertake any of the following HHR activities:

- Rehabilitation of existing homeowners' properties; and
- Homebuyer acquisition-only assistance.

CHDOs may act as sub-recipients with non-set-aside funds by undertaking all other HOME HHR eligible activities such as:

- Homeowner rehabilitation; and
- Providing down payment or closing cost assistance.

## Contracts

Each CHDO project must have its own separate written agreement or contract for assistance (CHDO-A) and operating costs (CHDO-O). Contracts will not be established until the following requirements have been completed and approved by DOA:

- Subsidy and layering;
- Construction beginning within 12 months;
- Budget and schedule; and

- Financing secure with commitment letters.

In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

### **Subsidy and Layering**

Underwriting of a project includes the following requirements:

- Examining all uses of funding to determine costs are eligible and reasonable;
- Assessing CHDO developer/organization experience and capacity including staff, contractors and financial resources;
- Defining all housing specifications including the square footage, numbers of bedrooms, number of bathrooms; and
- Establishing a marketing plan to sell the house including comparable sales and assessing the current market demand in the area in which the project will be located.

### **Operating Expenses**

Each CHDO project/contract may receive operating assistance up to 5% of the housing assistance funds awarded. A grantee may choose to include any of the following expenses:

- Salaries, wages, benefits and other employee compensation;
- Education, training and travel to perform the job;
- Office rent, equipment, materials and supplies and utilities;
- Communication costs; and
- Taxes and insurance;

### **Certification**

In addition to having a separate contract, a CHDO certification application must be submitted for each project. The certification defines the organization as meeting the CHDO requirements as defined by HUD. This ensures the CHDO organization has the capacity to own and develop housing each time funds are committed to it.

### **D. Procurement Procedures and Contracting**

When a Grantee is involved with procuring property or services utilizing HOME or other federal funding, the Grantee must make sure it is compliant with standards involving procurement practices, contracting services, conflict of interest, and other related issues. In addition, the contract between the Grantee and the Department contains procurement and

contracting requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## **Procurement**

All HOME Grantees must establish written procurement procedures. The procedures or policies must cover acquisition of supplies and services by the Grantee.

When acquiring the services of a consultant to administer a HOME program or to provide other professional services (e.g., audit, architectural, engineering) to be paid with HOME funds, proper procurement procedures must be followed. For professional services that are less than the simplified acquisition threshold of \$100,000 grantees may use the simplified acquisition procedures as specified in 24 CFR Part 85.36 or 24 CFR Part 84.44.

Simplified acquisition procedures require that price or rate quotations shall be obtained from at least three qualified sources. If a local procurement policy is in place that is more restrictive than the simplified procedures described here, the local policy must be followed. Evidence that the appropriate procedure was followed must be in place in the procurement file.

Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

Grantees must, to the extent practicable and economically feasible:

- Give preference for products and services that conserve natural resources and protect the environment and are energy efficient; and
- Make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises.

## **Contracting**

Grantees must ensure that every purchase order or other contract executed for federally-assisted projects includes any clauses required by Federal statutes and Executive Orders and their implementing regulations. Some of the clauses that must be incorporated into contracts include acknowledgment that contractors must follow Federal labor requirements (when they apply) like the Copeland Anti-Kickback Act, promise to comply with the Equal Employment Opportunity Executive Order, and recognition of conflict of interest provisions.

In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## **E. Conflict of Interest**

The HOME Program regulations require compliance with two different sets of conflict-of-interest provisions. The conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42 apply to the procurement of property and services for all state recipients and subrecipients of State HOME funds. In addition, the HOME Final Rule at Part 92.356 specifies the requirements for HOME Grantees with respect to conflict of interest.

The Grantee will be required to pay back to the Department of Administration any HOME funds disbursed for persons with whom there is an identified conflict of interest. In addition, the contract between the Grantee and the Department contains conflict of interest requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

### **Activities Covered by CFR Provisions:**

In the procurement of property and services, the conflict of interest provisions at 24 CFR 85.36 and 24 CFR 84.42 apply. These regulations require subrecipients/grantees to maintain written standards governing the performance of their employees engaged in awarding and administering contracts. At a minimum, these standards must:

- (1) Require that no employee, officer, agent of the subrecipient shall participate in the selection, award or administration of a contract supported by HOME if a conflict of interest, either real or apparent, would be involved;
- (2) Require that the subrecipient employees, officers and agents not accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements; and
- (3) Stipulate provisions for penalties, sanctions or other disciplinary actions for violations of standards.

A conflict would arise when any of the following has a **financial or other interest** in a firm selected for award:

- (1) An employee, agent or officer of the subrecipient;
- (2) Any member of an employee's, agent's, or officer's immediate family;
- (3) An employee's, agent's, or officer's partner; or
- (4) An organization that employs or is about to employ an employee, agent, or officer of the subrecipient.

### **Activities Covered by HOME Regulations:**

In cases not covered by 24 CFR 85.36 and 24 CFR 84.24, the HOME regulations at 24 CFR 92.356 governing conflict of interest apply. These provisions cover employees, agents, consultants, officers and elected or appointed officials of the subrecipient/grantee. The HOME regulations state that no person covered who exercises or has exercised any functions or responsibilities with respect to HOME activities or is in a position to participate in decisions or gain inside information:

- (1) May obtain a financial interest or benefit from a HOME activity; or
- (2) Have an interest in any contract, subcontract, or agreement for themselves or for persons with business or family ties.

This requirement applies to covered persons during their tenure and for one year after leaving the subrecipient/grantee.

**Provisions for Nonprofit and For-Profit Owners, Developers and Sponsors:**

The HOME Final Rule includes conflict-of-interest provision applicable to for-profit and nonprofit owners, developers and sponsors of HOME-assisted housing. This provision states that no owner, developer or sponsor of HOME-assisted housing, including their officers, employees, agents, consultants or elected or appointed officials, may occupy a HOME-assisted unit in a development. This provision **does not** apply to:

- (1) An individual receiving HOME funds to acquire or rehabilitate his/her principal residence; or
- (2) An individual living in a HOME-assisted rental housing development where s/he is a project manager or a maintenance worker.

**Determining Potential Conflict of Interest:**

Following are the steps to use to determine a potential conflict of interest:

- (1) Identify "covered persons" for your HOME program;
- (2) Add conflict of interest question to your HOME application. All conflict of interest questions must be answered;
- (3) Inform applicants with potential conflict of interest that there will be public disclosure of their name;
- (4) Publish "Conflict of Interest Publication Notice" one time in the local newspaper;
- (5) Submit an Affidavit of Publication of the Notice and a letter giving a brief narrative of the situation to the HHR program administrator. The letter should include the applicant's name, income level, how public disclosure was made, and a description of why a waiver should be granted;
- (6) DO NOT sign any loan closing documents until you have received a signed waiver; and
- (7) After submission of the request to the HHR program administrator, the information is forwarded to the DOA attorney for an opinion on whether the exception would violate State law. The request and the attorney's opinion are then submitted to HUD for an exception to the provisions of the conflict of interest requirements.

**Application Information:**

The following question should be made a part of the initial loan application form: Do you have family or business ties to any of the following people? If yes, complete the chart below identifying the covered people by name and disclose the nature of the relationship.

NAMES OF COVERED PERSONS	RELATIONSHIP

*Covered person applies to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the State recipient, or sub-recipient which are receiving HOME funds.*

*No covered person who exercises or has exercised any functions or responsibilities with respect to the activities assisted with HOME funds or who is in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.*

Family includes:

Spouse;

Domestic Partner;

Fiancée/fiancé;

Children and children-in-law;

Brothers and brothers-in-law;

Sisters and sisters-in-law;

Parents and parents-in-law; and

Anyone who receives more than 50% of their annual support from the person (e.g., adopted child, foster child).

**Sample Conflict of Interest Publication Notice:**

The (***grantee name***), hereby discloses its intention to make (***loan/grant***) of (***\$XXX***) from the federal HOME Program (24 CFR 92) to (***name of applicant***) for the purpose of home purchase/home repair. (***name of applicant***) is the (***relationship***) of a(n) (***employee/Board Member***) of the (***grantee name***). The (***employee/ Board Member***) does not participate in the approval process for the (***loan/grant***). Comments concerning this notice will be accepted no later than ten (10) days after publication of this notice to: ***grantee name and address; ATT: name of person designated to receive complaints***)

Factors HUD Considers for Exceptions:

- ◆ Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive the same interests or benefits as are being made available to the group or class;
- ◆ Whether the affected person has withdrawn from his/her functions/responsibilities or the decision-making process with respect to the specific assisted activity in question;
- ◆ Whether undue hardship will result either to the grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict;
- ◆ Whether the tenant protection requirements of 92.253 are being observed (rental housing projects);
- ◆ Whether the affirmative marketing requirements of 92.351 are being observed (rental housing projects); and



## F. Prohibited Activities

Certain activities are specifically prohibited by the HOME regulations at 24 CFR 92.214. As such, the following list of activities can't be supported by HOME funds:

- ▶ Project reserve accounts. HOME funds may not be used to provide project reserve accounts (except for initial operating deficit reserves) or to pay for operating subsidies;
- ▶ Tenant-based rental assistance for certain purposes. HOME funds may not be used as rental assistance in conjunction with the Federal Rental Rehabilitation Program (Section 17) to prevent displacements. In addition, they may not be used for certain mandated existing Section 8 Program uses, such as Section 8 rent subsidies for troubled HUD-insured projects;
- ▶ Match for other programs. HOME Program funds may not be used as the "non-federal" match for other Federal programs except to match McKinney Act funds;
- ▶ Operations or modernization of public housing. HOME funds may not be used to provide annual contributions for the operation of public housing or to carry out modernization activities in public housing;
- ▶ Construction of public housing;
- ▶ Double dipping. During the first year after project completion, the PJ may commit additional funds to a project. After the first year, no additional HOME funds may be provided to a HOME-assisted project during the relevant affordability period except that:
  - ▶ Rental assistance to families may be renewed;
  - ▶ Rental assistance may be provided to families that will occupy housing previously assisted with HOME funds; and
  - ▶ A homebuyer may be assisted with HOME funds to acquire a unit that was previously assisted with HOME funds;
- ▶ Acquisition of Grantee-owned property. A Grantee may not use HOME Program funds to reimburse itself for property in its inventory or property purchased for another purpose;
- ▶ Project-based rental assistance. HOME funds may not be used for rental assistance if receipt of the funds is tied to occupancy in a particular project. Funds from another source, such as Section 8, may be used for this type of project-based assistance in a HOME-assisted unit; and
- ▶ HOME funds may be used for other eligible costs (such as rehabilitation) in units receiving project-based assistance from another source - for example, Section 8 or state-funded project-based assistance.

In addition, the contract between the Grantee and the Department contains requirements relative to allowable and prohibited activities. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## SECTION II. HOME HHR OTHER FEDERAL REQUIREMENTS

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## **A. Introduction**

Besides the rules and requirements for HOME, there are several additional broad federal rules that must be adhered to in the course of administering the program. This chapter covers most of those “other federal requirements” with the exception of environmental rules. Environmental requirements have their own chapter since each activity undertaken in a program may be impacted by this requirement.

HOME Grantees must take measures to ensure non-discriminatory treatment, outreach and access to program resources. This applies to employment and contracting, as well as to marketing and selection of program participants. No person in the United States shall on the grounds of race, color, national origin, religion or sex be excluded, denied benefits or subjected to discrimination under any program funded in whole or in part by HOME funds. In addition, the contract between the Grantee and the Department contains federal requirements. In the event of conflict between the language specified in a grantee’s contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## **B. Fair Housing**

All activities must comply with all of the following federal laws, executive orders and regulations pertaining to fair housing:

Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.): States that no person may be excluded from participation in, denied the benefits of or subjected to discrimination under any program or activity receiving Federal financial assistance on the basis of race, color or national origin. The regulations provision may be found in 24 CFR Part 1.

The Fair Housing Act (42 U.S.C. 3601-3620): Prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person on the basis of race, color, religion, sex, national origin, handicap or familial status. Fair Housing Act regulations may be found in 24 CFR Part 100-115.

Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259): Prohibits discrimination against individuals on the basis of race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property or in the use or occupancy of housing assisted with Federal funds. Equal Opportunity in Housing regulations may be found in 24 CFR Part 107.

Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101): Prohibits age discrimination in programs receiving Federal financial assistance. Age Discrimination Act regulations may be found in 24 CFR Part 146.

Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity: In February 2012 HUD issued a final rule implementing policy to ensure that its core programs are open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status. Information on equal access may be found in 24 CFR Parts 5, 200,203, 236, and 982.

## Fair Housing Compliance

Each grantee has the responsibility to ensure non-discriminatory treatment, outreach, and access to program resources. In addition, the contract between the Grantee and the Department contains fair housing requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

### **Title VI - Nondiscrimination**

By contracting with the HOME program, the grantee is committing itself under Title VI of the Civil Rights Act of 1964 (the Act) to administer its programs and activities in a manner to assure that no person, on the grounds of race, color, or national origin has been excluded from participation in, denied benefits of, or otherwise subjected to discrimination. Even in the absence of prior discrimination, a grantee in administering the program should take affirmative action to overcome the effects of conditions that would otherwise result in limiting participation by persons of a particular race, color, or national origin. In addition, the contract between the Grantee and the Department contains nondiscrimination requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

The Act spells out specific discriminatory actions that are prohibited on the ground of race, color, or national origin with regard to any housing, accommodations, facilities, services, financial aid, or other benefits provided under the program, including:

- Denying a person any housing or other benefits provided under the program;
- Providing any housing or other benefits to a person which are different, or are provided in a different manner, from those provided to others under the program;
- Subjecting a person to segregation or separate treatment;
- Restricting a person in any way in access;
- Treating a person differently from others in determining whether he satisfies any occupancy, admission, enrollment, eligibility, membership, or other requirement or condition which persons must meet;
- Denying a person opportunity to participate in the program or activity through the provision of services or otherwise, or afford him an opportunity to do so which is different from that afforded others under the program or activity (including the opportunity to participate in the program or activity as an employee); and
- Denying a person the opportunity to participate as a member of a planning or advisory body which is an integral part of the program.

To meet the Title VI obligations, the grantee must include the following language in **all** HOME bidding and contract documents:

### **Civil Rights Act of 1964**

Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits, or be subjected to discrimination under any program or activity receiving federal financial assistance.

Some examples of specific actions a grantee may take to implement Title VI include:

1. Conduct a study of the location by census tract of the community's total number of minorities and female heads of households (FHOH);
2. Conduct a survey of the needs of the community's minorities, handicapped persons, FHOHs and families with children;
3. Establish minority, female and handicapped person participation on committees and policy boards affecting the HOME program comparable to their percentages in the population, or demonstrate progress toward achievement of those percentages; and
4. Make presentations on the HOME program and its equal opportunity aspects. Documentation regarding where, when and for whom the presentation was made would need to be kept on file.

### **Fair Housing Act and EO 11063**

In contracting with the HOME program, the grantee is committing itself to administer all programs and activities to prevent discrimination because of race, color, religion (creed), sex or national origin in the sale, rental, leasing or other disposition of residential property and related facilities. The regulations are intended to assure compliance with Federal policy for programs and activities that provide financial assistance, for the provision, rehabilitation, or operation of housing and related facilities are made available without discrimination. The regulations are also intended to assure compliance with the policy to administer housing programs affirmatively, so individuals of similar income levels in the same housing market area have a like range of housing choices available to them. **Meaningful steps to further fair housing must be taken every year.**

The following are examples of specific actions a grantee may take to prevent discrimination in housing and to further fair housing under the Fair Housing Act:

- a) Enact or strengthen a local fair housing law, providing for effective investigatory and enforcement powers and sanctions with adequate funding to administer the law;
- b) Acquire sites and/or existing housing units for assisted family housing outside of minority-concentrated areas;
- c) Make area wide zoning revisions to facilitate the dispersal of multi-family housing outside of minority-concentrated areas;
- d) Initiate or fund any studies examining current housing opportunities for minority persons, handicapped persons and families with children and have these studies form the basis of an affirmative action program providing greater housing opportunities for minorities, handicapped persons and families with children;
- e) Send letters from the chief executive of the local government to those in the business of selling, renting or financing housing, encouraging them to adhere fully to the fair housing law;
- f) Have the local government chief executive publicly endorse the principle of fair housing and of adherence to the fair housing law in the form of a proclamation, resolution or similar publicized statement of importance;
- g) Improve community facilities and public services in racially integrated neighborhoods to help preserve their mixed character;

- h) Provide information and positive assistance to minority group persons in locating housing in non-minority areas;
- i) Contract with fair housing groups or human relations bodies to provide assistance (e.g., counseling, referrals) to minorities in locating housing in non-minority areas, and to promote an understanding and a positive attitude toward fair housing;
- j) Initiate a public education program on fair housing, involving representatives of fair housing groups, human relations bodies, minority organizations, the real estate industry and government through the local media. This could include talks on the community's housing opportunities. Documentation must be on file regarding where, and for whom each presentation was made;
- k) Fund a fair housing organization (such as NAACP, UMOS, Urban League, local fair housing council) to conduct studies and/or to investigate aggressively rental and/or real estate practices;
- l) Require use of affirmative marketing and advertising practices by private developers as a condition for obtaining local licenses and permits;
- m) Enlist the participation of local associations (Realtors, real estate brokers, home builders and mortgage lenders) in approved voluntary programs to promote affirmative fair housing marketing and to review mortgage credit and underwriting criteria that may have an adverse impact on minorities, women, handicapped persons and families with children; and
- n) Participate in HUD approved Fair Housing Program.

For more information on Fair Housing visit:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp)

### **C. Handicapped Accessibility**

The HOME regulations also require adherence to the three following regulations governing the accessibility of federally assisted buildings, facilities and programs:

1. Fair Housing Act: Multi-family dwellings must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-19).
2. Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155,201,218, and 225): Provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications. The Act (referred to as the ADA) also states that discrimination includes the failure to design and construct facilities (built for first occupancy after 1/26/93) that are accessible to and usable by persons with disabilities. Lastly, it requires the removal of architectural and communications barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.

In March 2011 revised regulations amending the Department of Justice's regulations found at 28 CFR Part 35 and 28 CFR Part 36. For more information refer to: <http://www.ada.gov/regs2010/ADAREgs2010.htm>.

3. Section 504: Section 504 of the Rehabilitation Act of 1973 prohibits discrimination in federally assisted programs on the basis of handicap. Section 504 imposes requirements to ensure that "qualified individuals with

handicaps" have access to programs and activities that receive federal funds. Under Section 504, recipients and subrecipients are defined more broadly than under the HOME program. Section 504 recipients and subrecipients include any entity that receives Federal funding (for example, a sub-grantee or CHDO).

Contractors and vendors are subject to Section 504 requirements only in the work they do on behalf of a sub-grantee.

The ultimate beneficiary (for example, a homebuyer) of the Federal assistance is not subject to Section 504 requirements.

Under Section 504, sub-grantees are **not** required to take actions that create undue financial and administrative burdens or alter the fundamental nature of the program.

In addition, the contract between the Grantee and the Department contains accessibility requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

### **Accessibility Compliance**

By contracting with the HOME Program, the grantee is committing itself to administer its programs and activities in a manner that ensures that qualified disabled persons have access to programs and activities. Individuals with disabilities must be able to learn about, apply for, and participate in programs and activities. When discussing the regulations regarding access for individuals with disabilities, it is useful to ensure that we all utilize the same definition.

*In enacting the Americans with Disabilities Act, Congress concluded that it was important for the current legislation to use terminology most in line with the sensibilities of most Americans with disabilities. No change in definition or substance is intended nor should one be attributed to this change in phraseology. (From handicapped to disabled).*

The term "disability" means, with respect to an individual:

- a) A physical or mental impairment that substantially limits one or more of the major life activities of such individual;
- b) A record of such an impairment; or
- c) Being regarded as having such impairment. If an individual meets any of these three tests, he or she is considered to be an individual with a disability for purposes of coverage under the Americans with Disabilities Act.

Physical or mental impairment: Under the first test, an individual must have a physical or mental impairment. As explained in paragraph (1)(i) of the definition, "impairment" means any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs (which would include speech organs that are not respiratory such as vocal cords, soft palate, tongue, etc.); respiratory; including speech organs; cardiovascular; reproductive; digestive; genitourinary; hemic and lymphatic; skin; and endocrine. It also means any mental or psychological disorder, such as mental retardation, organic

brain syndrome, emotional or mental illness, and specific learning disabilities. This list closely tracks the one used in the regulations for Section 504 of the Rehabilitation Act of 1973 [see, e.g., 45 CFR 84.3(j)(2)(I)].

Substantial limitation of a major life activity: Under Test A, the impairment must be one that "substantially limits a major life activity". Major life activities include such things as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

A record of such an impairment: Under Test B this is intended to cover those who have a record of impairment. As explained in paragraph (3) of the rule's definition of disability, this includes a person who has a history of an impairment that substantially limited a major life activity, such as someone who has recovered from impairment. It also includes persons who have been misclassified as having impairment. This provision is included in the definition in part to protect individuals who have recovered from a physical or mental impairment that previously substantially limited them in a major life activity. Discrimination on the basis of such a past impairment is prohibited. Frequently occurring examples of the first group (those who have been misclassified as having impairment) are persons who have been misclassified as having mental retardation or mental illness.

Being regarded as having such an impairment: Test C, as contained in paragraph (4) of the definition, is intended to cover persons who are treated by a public entity as having a physical or mental impairment that substantially limits a major life activity. It applies when a person is treated as if he or she has an impairment that substantially limits a major life activity, regardless of whether that person has an impairment.

Frail Elderly: People age 62 and older who have limitations in three or more life activities such as bathing, dressing, and housekeeping.

*"No otherwise qualified individual with handicaps in the United States ... shall, solely by reason of his/her handicap, be excluded from participation in, be denied the benefit of, or be subject to discrimination under any program or activity receiving Federal financial assistance..."*

## **General Provisions**

- Non-discrimination in employment;
- Non-discrimination in program/service delivery (see Attachments II-1 and II-2); and
- Physical accessibility.

## **Application**

- Any organization, large or small, public or private, is governed by Section 504 if the entity receives or administers Federal financial assistance;
- The rule applies to the entire operations of the organization, not just to certain program aspects; and
- Programs not specifically directed toward individuals with disabilities are also covered by section 505.



## General Requirements

All grantees of Federal financial assistance must perform a self-evaluation covering:

- Buildings or facilities for physical accessibility;
- Program outreach and communication;
- Eligibility and admission criteria and practice;
- Distribution and occupancy policy and practice;
- Percentage of accessible housing units;
- Employment; and
- Complaint processing procedures.

The self-evaluation should recommend corrective action to remedy any discrimination found.

All grantees of Federal financial assistance, that employ fifteen or more persons, must:

- **Designate** at least one 504 coordinator;
- **Adopt grievance procedures** that incorporate due process standards and allow for quick and prompt resolution of any complaints of alleged discrimination based on disability;
- **Notify all participants, employees, unions, and professional organizations that they do not discriminate on the basis of disability** (see Attachment 19-3); the notification process must be exhaustive and on-going and must ensure that all individuals, including those with visual and hearing impairments are aware of the non-discrimination pledge. Any recruitment or informational material published by a grantee must contain a statement regarding the grantee's pledge;
- **Keep on file** for at least three years:
  - a list of interested persons consulted during the self-evaluation process;
  - a description of areas examined and any problems identified; and
  - a description of modifications made and remedial steps taken

## Housing Requirements:

New construction/Substantial alteration

New multifamily (four or more units) housing projects, or housing facilities with fifteen or more units in which the cost of alterations (not including land and architectural costs) exceeds 75% of the replacement cost of the completed facility, must be made readily accessible to and usable by individuals with disabilities.

**A minimum of 5% of total dwelling units** (at least one) must be made **accessible (or adaptable)** for individuals with **mobility impairments**.

An **additional 2%** of total dwelling units (at least one) must be made accessible to persons with **hearing or vision impairments**.

HUD may require higher percentages if census data (or other available data) indicate that more accessible units are needed.

New single-family housing units must be “visitable.” Housing that is visitable has a very basic level of accessibility that enables persons with disabilities to visit friends, relatives, and neighbors in their homes within a community. Visitability can be achieved with the use of two simple design standards: (1) providing a 32-inch clear opening in all interior and bathroom doorways; and (2) providing at least one accessible means of egress/ingress for each unit.

### **Other Alterations**

Alterations of housing facilities (four or more units) must, to the maximum extent feasible, be made accessible to and usable by individuals with disabilities. If the alterations to portions of a dwelling unit together amount to alteration of the entire unit, the unit must be made accessible.

A minimum of 5% of units in a project must be made accessible (adaptable) for individuals with mobility impairments, unless there are already 5% of accessible (adaptable) units in the project. HUD may increase this percentage on the basis of data showing a greater need.

**Alterations to common areas** (such as entrances, lobbies, etc.) must, **to the maximum extent feasible**, be made **accessible** to and usable by individuals with disabilities.

### **Existing housing programs**

Programs or activities, when viewed **in their entirety**, must be readily accessible to and usable by individuals with disabilities. It is not required that each existing facility be accessible.

Actions are **not required** if it can be demonstrated that they impose **undue financial and administrative burdens**<sup>1</sup>. Priority shall be given to methods that offer programs and services in the **most integrated setting possible**.

Special provisions:

- ◆ Home ownership programs: Units must be made accessible if the expected occupant's disability so requires; the buyer may be permitted to depart from applicable accessibility standards to accommodate his/her disability; costs for making the home comply with accessibility standards (UFAS) may be included in the mortgage amount; costs above the limit may be passed on to the buyer.
- ◆ Rental rehabilitation programs: Grantee must give priority to the selection of projects that will result in accessible dwelling units.
- ◆ Historic properties: Accessibility need not be provided if alterations would substantially impair the historic features of the property or result in undue financial and administrative burden.
- ◆ Housing certificate/voucher programs: The grantee must ensure that the notice of availability of housing assistance reaches individuals with disabilities; owners having accessible units should be actively encouraged to participate; when considering requests for extension from individuals with disabilities, grantees should take into account the special problems associated with locating an accessible unit; exceptions to the Fair Market Rents may be necessary to allow Section 8 certificate holders to rent accessible units; grantees must enter into HUD-approved contracts with participating owners that include assurances of nondiscrimination on the basis of disability.

Refer to the following website for more information:

<http://www.hud.gov/offices/fheo/disabilities/sect504.cfm>

#### **D. Equal Opportunity (EO)**

HOME requires compliance with regulations governing employment and contracting opportunities. These concern equal opportunity, labor requirements, and contracting/procurement procedures. In addition, the contract between the Grantee and the Department contains equal opportunity requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

The following regulations must be complied with to ensure equal opportunity for employment and contracting:

Equal Employment Opportunity, Executive Order 11246, as amended: Prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin. Provisions to effectuate this prohibition must be included in all construction contracts exceeding \$10,000. Implementing regulations may be found at 41 CFR Part 60.

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<sup>1</sup> Grantees must take any action to accommodate individuals with disabilities unless the action poses an undue financial and administrative burden. Undue burden is determined by taking into account the size and budget of the program, the type of the grantee's operation, and the nature of the accommodation needed.

Section 3 of the Housing and Urban Development Act of 1968: Requires that, to the greatest extent feasible, opportunities for training and employment arising from HOME will be provided to low-income persons residing in the program service area. Also, to the greatest extent feasible, contracts for work (all types) to be performed in connection with HOME will be awarded to business concerns located in or owned by persons residing in the program service area.

Minority/Women's Business Enterprise: Under Executive Orders 11625, 12432, and 12138 there must be a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in all contracts. Information on procedures acceptable to HUD may be found at 24 CFR 85.36(e).

## **Equal Opportunity Compliance**

### **Executive Order (EO) 11246 - Equal Employment**

To meet the EO 11246 requirements, which provide for equal employment opportunities, the grantee must develop procedures for securing and monitoring contractor compliance. Basically, the grantee must include the applicable equal employment opportunity language in all bid specifications and contract documents, secure required documentation, and monitor compliance. The applicability of these requirements is the same as that of the labor standards requirements.

Ultimate responsibility for EO 11246 compliance rests with U.S. Department of Labor (DOL): For answers to specific EEO related contract questions, contact the appropriate Department of Labor area office at:

Milwaukee District Office

310 West Wisconsin Avenue, #1115

Milwaukee, WI 53203

414/297-3821

The bid and contract language required depends on the dollar amount of the contract. Certain language is required for contracts/subcontracts of \$10,000 or less (Attachment II-1). Other language is required if the contract/subcontract exceeds \$10,000 (Attachments II-2, II-3, and II-4). Note especially the Notice of Requirement for Affirmative Action (Attachment II-3) which must be included and which requires the insertion of minority and female goals. The female goal applies nationwide while the minority goal is specifically determined for each county (Attachment II-5).

The grantee is responsible for sending the required notices to DOL, advising contractors of their equal opportunity responsibilities, particularly at the pre-construction conference, monitoring on-site and maintaining equal opportunity compliance files for each project.

### **Affirmative Action in Local Employment and Contracting (SECTION 3)**

Under Section 3 of the Housing and Urban Development (HUD) Act of 1968, wherever HUD financial assistance is given for housing or community development, to the greatest extent possible, economic opportunities will be given to residents and businesses in that area. This assistance includes job training, employment, and contracts.

All grantees must, to the maximum extent feasible, ensure that lower-income residents in their communities/service area receive any training or employment opportunities generated by HOME projects. They must also take affirmative action to utilize businesses located in or owned in substantial part by persons residing in the project area. (These are sometimes called "Section 3" requirements and are described in Attachment II-6.)

**Meaningful steps to promote local employment and contracting must be taken every year and must be documented.** The grantee's emphasis on the use of local contractors will also enhance its efforts to increase local employment.

Some examples of specific actions a grantee may take to implement these obligations are:

- 1) In employment and training:
  - a. Adopt and implement a Section 3 Affirmative Action Plan (Attachment 17-6) to promote the training or hiring of lower-income residents;
  - b. Maintain a list of lower-income residents trained or hired (by the grantee or by contractors and subcontractors) under the program;
  - c. Maintain a list of training or employment opportunities provided for lower-income residents;
  - d. Document/explain grantee strategy to promote training or employment opportunities for lower-income residents; and
  - e. Document/explain grantee efforts to encourage contractors (and subcontractors) to train and employ lower-income residents.
  
- 2) In business opportunity:
  - a. Adopt and implement a Section 3 Affirmative Action Plan to promote the use of local businesses;
  - b. Maintain a list of local businesses awarded contracts under the project. Include type of contract and actual dollar amount of each award;
  - c. Maintain a list of local businesses that submitted bids for program contracts;
  - d. Maintain a reference file of local businesses, including type of work performed;
  - e. Document and explain grantee strategy to promote the use of local businesses. Include strategy to promote use of local businesses by contractors; and
  - f. Document the existence of the grantee's procurement policy requiring that contracts for work or supplies be obtained locally where possible.

### **Section 3 Employees and Contractors**

Section 3 of the Housing and Urban Development Act of 1968 requires that, to the greatest extent possible, opportunities for training and employment be provided to low-income persons residing in the program service area.

This effort also includes using Section 3 contractors whenever feasible. The definition of a Section 3 business per 24 CFR 75.5 includes at least one of the following criteria:

- 51% or more owned by low or very low-income persons; or
- Over 75% of labor hours performed over the previous 3-month period are performed by Section 3 workers
- It's at least 51% owned and controlled by current residents of public housing or Section 8-assisted housing.

### Section 3 Final Rule

The new Section 3 Final Rule (effective 11/30/2020) established Section 3 labor hour benchmarks for projects/activities with over \$200,000 in HUD funding (HOME, CDBG, HTF, etc.). The Final Rule requires at least 25% of total project hours be from Section 3 workers and 5% from Targeted Section 3 workers. Grantees must identify and document all qualitative efforts taken to meet the new labor hour requirements. All labor hours and Section 3 and Targeted Section 3 hours are then reported on the activity completion report as well as qualitative efforts if the minimum requirements aren't met.

HUD Notice: <https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-07cpdn.pdf>

Information Resources: <https://www.hudexchange.info/programs/home/section-3/>.

The new definitions/categories of a Section 3 worker include:

1. Is a low or very low-income person that met HUD income limits for the previous or annualized calendar year.
2. Is employed by a Section 3 business concern, or
3. Is a YouthBuild participant. YouthBuild is a community-based pre-apprenticeship program administered by the U.S. Department of Labor that provides job training and educational opportunities for at-risk youth ages 16- 24 who have previously dropped out of high school.

For a worker to qualify as a **Section 3 worker**, one of the following must be maintained:

1. A worker's self-certification that their income is below the income limit from the prior calendar year;
2. A worker's self-certification that their income is below the income limit from the prior calendar year;
3. Certification from a Public Housing Authority (PHA), or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
4. An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
5. An employer's certification that the worker is employed by a Section 3 business concern.

A targeted Section 3 worker also includes one of the following:

1. Employed by a Section 3 business concern, or
2. Currently fits or when hired fit at least one of the following:
  - a. Living within the service area or neighborhood of the project
  - b. A YouthBuild participant

For a worker to qualify as a **Targeted Section 3 worker**, one of the following must be maintained:

1. An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;
2. An employer's certification that the worker is employed by a Section 3 business concern; or
3. A worker's self-certification that the worker is a YouthBuild participant.

Qualitative efforts to meet Section 3 requirements include:

- Outreach Efforts to hire targeted workers
- Direct on-the-job training including apprenticeships
- Indirect off-site training including arranging, contracting or paying tuition
- Technical off-site training including arranging, contracting or paying tuition
- Outreach efforts to hire Section 3 businesses
- Technical assistance to help Section 3 businesses understand and bid on contracts
- Division of contracts into smaller jobs to facilitate participation by Section 3 businesses
- Providing or connecting resident's assistance in seeking employment including drafting resumes, preparing for interviews, finding job opportunities or job placement services
- Holding one or more job fairs
- Providing or connecting residents with supportive services that provide direct services or referrals
- Assisting residents with finding childcare
- Assisting residents to apply for/or attend community college or four-year educational institution
- Assisting residents to apply for/or attend vocational/technical training
- Assisting residents to obtain financial literacy training and/or coaching
- Bonding assistance, guaranties or other efforts to support viable Section 3 businesses bids
- Providing or connecting residents with training on computer use or online technologies

### **Minority- and Women-Owned Business Enterprise (MBE and WBE) Outreach**

Section 281 of the National Affordable Housing Act requires that procedures be established for a minority outreach program. The program shall include minority- and women-owned businesses in all contracting activities entered into to facilitate the provision of affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Therefore, minimum HUD standards require outreach efforts to minority- and women-owned businesses, including:

- 1) A good faith, comprehensive, and continuing endeavor;
- 2) Supported by a statement of public policy and commitment published in the print media of widest local circulation;

- 3) Supported by an office and/or a key ranking staff person with oversight responsibilities and access to the chief elected official; and
- 4) Designed to utilize all available and appropriate public and private sector local resources.

Under the minimum HUD standards cited above, the following guidelines are provided for Grantee use in implementing outreach programs to ensure the inclusion, to the maximum extent possible, of entities owned by minorities and women. Each Grantee should:

- 1) Develop a systematic method of identifying and maintaining an inventory of certified minority and women's business enterprises (MBEs and WBEs), their capabilities, services, supplies, and/or products;
- 2) Utilize the local media, electronic, and print to market and promote contract and business opportunities for MBEs and WBEs;
- 3) Develop informational and documentary materials (fact sheets, program guides, procurement forecasts, etc.) on contract/subcontract opportunities for MBEs and WBEs;
- 4) Develop procurement procedures that facilitate opportunities for MBEs and WBEs to participate as vendors and suppliers of goods and services;
- 5) Sponsor business opportunity-related meetings, conferences, seminars, etc. with minority and women business organizations;
- 6) Maintain centralized records with statistical data on the utilization and participation of MBEs and WBEs as contractors/subcontractors in all HUD-assisted program contracting activities.

In addition, the contract between the Grantee and the Department contains MBE and WBE requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

### **MBE/WBE Report**

**A MBE/WBE Report form must be submitted semi-annually.** The report form along with instructions will be sent to current grantees by DEHCR prior to the submittal due date.

### **Record Keeping, Reporting and Monitoring**

Each grantee should recognize that while the State administers the HOME Program, the Federal Government, through HUD and DOL, continues to be responsible for the enforcement of the equal opportunity obligations. Those agencies may choose to investigate directly a grantee's EO compliance. Therefore, it is essential that each grantee have a record keeping and reporting system to document nondiscrimination, equal opportunity and affirmative action in its HOME program. In addition, the contract between the Grantee and the Department contains record keeping, reporting and monitoring requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

A major Equal Opportunity and Fair Housing file must be maintained which contains several sub-files. The following items must be included:



- 1) Demographic profiles of the community/grantee service area relating to race, ethnicity, sex, age and head of household (HOH);
- 2) Racial, ethnic, gender, age, handicapped persons and familial status data showing the extent to which these categories of persons have participated in, or benefited from, the HOME programs and activities;
- 3) Documentation of all actions taken to achieve fair housing;
- 4) Evidence of efforts made to promote the use of local businesses and the identification, training and/or employing of lower income residents;
- 5) Documentation of all equal opportunity-related activities, including compliance monitoring; and
- 6) Documentation of use of Minority and Women's Business enterprises.

These additional items are to be included if they apply:

- 1) Copy of the local fair housing ordinance;
- 2) Copy of the local equal employment opportunity policy and/or affirmative action plan; and
- 3) Data that record affirmative action in employment.

#### **Activity Files**

Individual activity files must also be maintained for each work project. These must show that the appropriate EO language is contained in the bid and contract documents, and that the grantee performs its EO related tasks, including on-site contractor compliance reviews, in a timely and responsible manner.

All grantees will be monitored for EO compliance. In addition, a sampling of communities may undergo a more in-depth review by the BOH Equal Opportunity Specialist to assure nondiscrimination, equal opportunity, and affirmative action in their HOME activities.

#### **E. Labor Standards**

Federal (Davis-Bacon) wage requirements are made applicable to the HOME program by Section 286 of the National Affordable House Act of 1990. HUD regulations (24 CFR 92.354) paraphrase the statutory provision and clarify that contracts for construction must contain federal wage provisions if HOME funds are used for any activity costs, including construction or non-construction costs, for housing with 12 or more HOME-assisted units. In addition, the contract between the Grantee and the Department contains labor standards requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

**NOTE: For purposes of Davis-Bacon, "contract" is defined as the agreement between the grantee and the business that will be completing the construction/rehabilitation work.**

## APPLICABILITY:

- Every contract for construction/rehabilitation of housing that includes 12 or more units assisted with HOME funds must contain federal prevailing wage rates as established pursuant to the Davis-Bacon and Related Acts [40 U.S.C. 276(A)-7].

This act ensures that mechanics and laborers employed in construction work under federally assisted contracts are paid wages and fringe benefits equal to those that prevail in the locality where the work is performed. The act also provides for the withholding of funds to ensure compliance and excludes from the wage requirements apprentices enrolled in bona fide apprenticeship programs.

- Every contract must also be subject to the overtime provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).

This act provides that mechanics and laborers employed on federally assisted construction jobs are paid time and one-half for work in excess of 40 hours per week, and provides for the payment of liquidated damages where violations occur. This act also addresses safe and healthy working conditions.

- Every contract is also subject to the Copeland (Anti-Kickback) Act (40 USC 276c). This act governs the deductions from paychecks that are allowable. It makes it a criminal offense to induce anyone employed on a federally assisted project to relinquish any compensation to which s/he is entitled and requires all contractors to submit weekly payrolls and statements of compliance.
- The basic minimum wage for all work is established by the Fair Labor standards Act of 1938, As Amended (29 USC 201, et.seq.). This act also requires the payment of overtime at the rate of at least time and one-half, requires the payment of wages for the entire time that an employee is required or permitted to work, and establishes child labor standards.
- The wage provisions apply to the construction of the entire activity – HOME-assisted and non-assisted portions, alike.

## SCOPE OF COVERAGE

- If the 12-unit threshold is met then the labor standards provision is triggered. It does not matter whether HOME funds are used for construction or non-construction activity costs.
- Construction work for homeownership activities in which HOME funds are used only to assist homebuyers to acquire single family housing are not covered. **The exception** is when there is an agreement with the owner/developer of the housing in advance of the construction work that HOME funds will be used to assist homebuyers to buy the housing and the construction contract covers 12 or more HOME-assisted units.
- Single Room Occupancy (SRO) activities covered by a contract for construction of 12 or more units are covered by Davis-Bacon labor standards.

## CONTRACTING AND PROCUREMENT PRACTICES

The HOME program is subject to certain federal procurement rules. In addition, grantees must take measures to avoid hiring debarred or suspended contractors and conflict-of-interest situations.

## **F. Acquisition of Real Property and Relocation**

### **Background**

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) provides important protections and assistance for people affected by the acquisition, rehabilitation, or demolition of real property for Federal or federally funded projects. This law was enacted by Congress to ensure that people whose real property is acquired, or who move as a direct result of projects receiving Federal funds, are treated fairly and equitably and receive assistance in moving from the property they occupy.

### **Implementation**

The Grantee will replace all occupied and livable vacant low to moderate income housing demolished or converted to a use other than as low to moderate income housing in connection with an activity assisted with HOME funds.

All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a contract committing the Grantee to provide funds for an activity that will directly result in demolition or conversion, the Grantee will publish in a newspaper of general circulation and submit to the Wisconsin Department of Administration, Division of Energy, Housing and Community Resources, the following information in writing:

- 1) A description of the proposed assisted activity;
- 2) The address, number of bedrooms, and location on a map of low to moderate income housing that will be demolished or converted to a use other than as low to moderate income housing as a result of an assisted activity;
- 3) A time schedule for the commencement and completion of the demolition or conversion;
- 4) To the extent known, the address, number of bedrooms and location on a map of the replacement housing that has been or will be provided;
- 5) The source of funding and a time schedule for the provision of the replacement housing;
- 6) The basis for concluding that the replacement housing will remain lower income housing for at least 10 years from the date of initial occupancy; and
- 7) Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the approved Consolidated Plan.

To the extent that the specific location of the replacement housing and other data in items 4 through 7 are not available at the time of the general submission, the Grantee will identify the general location of such housing on a map and complete the disclosure and submission requirements as soon as the specific data are available.

The Grantee is responsible for tracking the replacement of lower income housing and ensuring that it is provided within the required period.

The Grantee is responsible for providing relocation payments and other relocation assistance to any lower income person displaced by the demolition of any housing or the conversion of lower income housing to another use.

Consistent with the goals and objectives of activities assisted with HOME funds, the Grantee will take the following steps to minimize the direct and indirect displacement of persons from their homes. The Grantee must determine the appropriate steps. The following are examples:

- 1) Coordinate code enforcement with rehabilitation and housing assistance programs;
- 2) Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants;
- 3) Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first;
- 4) Arrange for facilities to house persons who must be relocated temporarily during rehabilitation;
- 5) Adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods;
- 6) Adopt policies, which provide reasonable protection for tenants faced with conversion to a condominium or cooperative;
- 7) Adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas; and
- 8) Establish counseling centers to provide homeowners and tenants with information on assistance available to help them remain in their neighborhood in the face of revitalization pressures.

### **Voluntary Acquisition Vs Involuntary Acquisition of Real Property**

Some projects may require acquisition of real property. Agencies may acquire the needed real property from owners by voluntary or involuntary means. Under the Uniform Relocation Act (URA), an acquisition is considered to be involuntary when an agency acquires property under threat or use of eminent domain. Eminent domain is the power of the government to take private property for public purposes with payment of just compensation.

The Fifth Amendment of the U.S. Constitution states that “private property shall not be taken without payment of just compensation” and that “no person shall be deprived of life, liberty, or property without due process of the law.” These constitutional rights form the basis of the URA’s protections for property owners.

The URA requirements for voluntary acquisitions and involuntary acquisitions differ significantly. Grantees must understand the critical differences between voluntary acquisitions and involuntary acquisitions under the URA before acquiring property for a HOME-assisted activity.

What makes a transaction “voluntary”?

For agencies without eminent domain authority:

- The agency notifies the owner in writing of the property's market value; and
- The agency notifies the owner prior to making an offer, that it will not acquire property if an amicable settlement cannot be reached; and
- If tenants are displaced, the tenants are provided relocation assistance.

For agencies with eminent domain authority:

- No specific site is needed and any of several properties could be acquired for project purposes; and
- The property is not part of an intended, planned or designated project area where other properties will be acquired within specific time limits; and
- The agency informs the owner in writing of the property's market value; and
- The agency also informs the owner in writing that the property will not be acquired, through condemnation, if negotiations do not reach an amicable agreement; and
- If tenants are displaced, the tenants are provided relocation assistance.

Acquisition rules must be followed whenever:

- A non-profit or for-profit entity uses HOME funds to purchase a property;
- Federal assistance is provided to individuals acquiring their own home; and
- Federal assistance is provided to purchase a property where someone holds a life estate to the property, or someone holds a long-term lease to the property which allows for an extension of 50 years or more.

Grantees operating a homebuyer program must remember: persons renting a home are eligible for relocation assistance if the owner of the home is voluntarily selling his/her home to a person receiving HOME Homebuyer assistance. The renters are moving permanently from the real property as a direct result of acquisition assisted with federal funds.

**Temporary Relocation**

Some rehabilitation activities may require that the occupants be temporarily out of their home while the work is being done. Although temporarily displaced persons do not receive the same relocation assistance and payments as persons permanently displaced under the URA, they do have certain rights and protections.

**Temporary relocation should not extend beyond one year before the person is returned to his or her previous unit or location.** Any residential tenant who has been temporarily relocated for more than one year must be offered all permanent relocation assistance which may not be reduced by the amount of any temporary relocation assistance previously provided.

All conditions of temporary relocation must be reasonable. At a minimum, the tenant shall be provided the following:

- Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent or utility costs at such housing.
- Appropriate advisory services, including written notice of their rights and responsibilities regarding the temporary move.

A Notice of Temporary Relocation (see Attachment II-9) must be completed and include the following:

- a. Date and approximate duration of the temporary relocation.
- b. Address of the unit to which they will be relocated (may be a motel/hotel/kitchenette).
- c. Requirements to receive reimbursement for reasonable costs (as applicable) including:
  - Maximum allowable lodging expense;
  - Maximum allowable meal costs per person;
  - Maximum moving costs; and
  - Maximum mileage allowance for additional miles traveled to work/school/shopping

Receipts must be presented for all reimbursable expenses. Where receipts are not obtainable (e.g., coin laundry or increased transportation costs), the Grantee must certify that the costs are reasonable. See Attachment II-10.

The funding agency may elect to arrange for limited direct billing with the housing provider and area restaurants.

Eligible temporary relocation payments may include, but are not limited to:

- Cost of lodging at a moderately priced motel, when staying with family or friends is not possible or practicable. The Grantee should make payments directly to the motel.
- Actual cost of meals eaten at moderately priced "family" restaurants. Meals may not exceed current state approved per person meal reimbursement rates:

Breakfast: \$7.00      Lunch: \$10.00      Dinner: \$20.00

- The amount of **increased** transportation costs to and from employment, school, shopping, and place of worship.
- Cost of laundry facilities when the occupants had laundry facilities at the project site, and are unable to return to the project site to do laundry.

The Grantee will get written acknowledgment from the project household of receipt of the relocation payment.

**G. Activity Requirement Timelines**

The following table lists HUD federal regulations timelines per for specific activity requirements that must be done within a specific time-period:

Requirement	Timeline	Federal Regulation	Activity Type
Title transfer	Property title must be transferred to household within six months of commitment date.	24 CFR 92.2 (Commit to a specific local project)	Homebuyer
HQS Inspection	Home must be inspected 90 days prior to commitment of HOME funds.	24 CFR 92.521(c)(3)	Homebuyer
IDIS project/activity completion	Project/activity completion information including beneficiary data must be entered into IDIS within 120 days of the final draw.	24 CFR 92.502(d)(1)	Homebuyer and Homeowner Rehabilitation

## ATTACHMENT II-1

### SPECIAL EQUAL OPPORTUNITY PROVISIONS

*Activities and Contracts Not Subject to Executive Order 11246, as Amended.*

(Applicable to federally assisted construction contracts and related subcontracts \$10,000 and under.)

During the performance of this contract, the contractor agrees to follow:

- A. The contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- B. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by Contracting Officer setting forth the provisions of this nondiscrimination clause. The contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- C. Contractors shall incorporate foregoing requirements in all subcontracts.



## ATTACHMENT II-2

### ***Section 202 Equal Opportunity Clause for Contracts/Subcontracts Above \$10,000 (Executive Order 11246)***

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
2. The contractor will, in all solicitations or advertisement for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration without regard to race, color, religion, sex or national origin.
3. The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Contract Compliance Officer advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965 and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.
7. The contractor will include the provisions of the sentence immediately preceding paragraph 1. and the provisions of paragraphs 1. through 7. in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

ATTACHMENT II-3

**Notice of Requirement for Affirmative Action to  
Ensure Equal Employment Opportunity (Executive Order 11246).**

(Applicable to contracts/subcontracts exceeding \$10,000.)

- A. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
- B. The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate work force in each trade on all construction work in the covered area, are as follows:

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Goals for	Goals for
minority	female
participation	participation

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Insert goals	Insert goals for
current year	

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These goals are applicable to all the contractor's construction work (whether or not it is federal or federally-assisted) performed in the covered area. If the contractor performs construction work in a geographic area located outside of the covered area, it shall apply the goals established for such geographic area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its federally involved and non-federally involved construction.

The contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3 (a), and its efforts to meet the goals established for the geographical area where the contract resulting from this solicitation is to be performed.

The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

- C. The contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address and telephone number of the subcontractor; employer identification number; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the contract is to be performed.
  
- D. As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is (insert description of the geographical areas where the contract is to be performed giving the state, county and city, if any).

## ATTACHMENT II-4

### ***Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246)***

- ii. As used in these specifications:
  - 1. "Covered area" means the geographical area described in the solicitation from which this contract resulted.
  - 2. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority.
  - 3. "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941.
  - 4. "Minority" includes:
    - a) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
    - b) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);
    - c) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and
    - d) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).
- iii. Whenever the contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.
- iv. If the contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.
- v. The contractor shall implement the specific affirmative action standards provided in paragraphs G.1. through 16. of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as

percentages of the total hours of employment and training of minority and female utilization the contractor should reasonable be able to achieve in each construction trade in which it has employees in the covered areas.

Covered construction contractors performing contracts in geographical areas where they do not have a federal or federally assisted construction contract shall apply the minority and female goals established for the geographic area where the contract is being performed. Goals are published periodically in the Federal Register in notice form and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from federal procurement contracting officers. The contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

- vi. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.
  
- vii. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the contractor during the training period, and the contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.
  
- viii. The contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:
  - 1. Ensure and maintain a working environment free of harassment, intimidation and coercion at all sites, and in all facilities at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each construction project. The contractor shall specifically ensure that all foreman, superintendents and other on-site supervisory personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.
  - 2. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.
  - 3. Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefore, along with whatever additional actions the contractor may have taken.
  - 4. Provide immediate written notification to the Director when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or woman sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

5. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under G.2 above.
6. Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.
7. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed and disposition of the subject matter.
8. Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.
9. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students, and to minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.
10. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of a contractor's work force.
11. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.
12. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.
13. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations under these specifications are being carried out.
14. Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
15. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

16. Conduct a review, at least annually, of all supervisors' adherence to and performance under the contractor's EEO policies and affirmative action obligations.
  17. Covered construction contractors performing contracts in geographical areas where they do not have a federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the contract is being performed. Goals are published periodically in the Federal Register in notice form and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from federal procurement contracting officers.
- ix. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (G.1. through 17.). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under G.1. through 17. of these specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female work force participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to document which demonstrates the effectiveness of actions taken on behalf of the contractor. The obligations shall not be a defense for the contractor's noncompliance.
  - x. A single goal for minorities and a separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goal for women generally, the contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).
  - xi. The contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex or national origin.
  - xii. The contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.
  - xiii. The contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.
  - xiv. The contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph g. of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with

the requirements of the Executive Order, the implementing regulations or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

- xv. The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, states (e.g., mechanic, apprentice trainee, helper or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.
- xvi. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

*Certification of Non-segregated Facilities (Over \$10,000)*

By the submission of this bid, the bidder, offeror, applicant or subcontractor certifies that s/he does not maintain or provide for his/her employees any segregated facility at any of his/her establishments, and that s/he does not permit employees to perform their services at any location, under his/her control, where segregated facilities are maintained. S/He certifies further that s/he will not maintain or provide for employees any segregated facilities at any of his/her establishments, and s/he will not permit employees to perform their services at any location under his/her control where segregated facilities are maintained.

The bidder, offeror, applicant or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause of this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, transportation (parking lots, drinking fountains, recreation or entertainment areas) and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom or otherwise.

S/He further agrees that (except where s/he has obtained identical certifications from proposed subcontractors for specific time periods) s/he will obtain identical certification from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that s/he will retain such certifications in his/her files; and that s/he will forward the following notice to such proposed subcontractors (except where proposed subcontractors have submitted identical certifications for specific time periods).



**ATTACHMENT II-5**

**GOALS FOR WOMEN AND MINORITY UTILIZATION IN CONSTRUCTION**

These goals apply to all federally assisted construction contracts and subcontracts in excess of \$10,000 (EO 11246). All hours of work (federal and nonfederal) in each trade, regardless of the location of work, are subject to these goals:

A. Goals for Women--6.9 percent (this goal applies nationwide).

B. Minority Goals--percentage listed for each county:

Adams	1.7	Iowa	1.7	Polk	2.2
Ashland	1.2	Iron	1.2	Portage	.6
Barron	.6	Jackson	.6	Price	.6
Bayfield	1.2	Jefferson	7.0	Racine	8.4
Brown	1.3	Juneau	.6	Richland	1.7
Buffalo	.6	Kenosha	3.0	Rock	3.1
Burnett	2.2	Kewaunee	1.0	Rusk	.6
Calumet	.9	La Crosse	.8	St. Croix	2.9
Chippewa	.5	Lafayette	.5	Sauk	1.7
Clark	.6	Langlade	.6	Sawyer	.6
Columbia	1.7	Lincoln	.6	Shawano	1.0
Crawford	.5	Manitowoc	1.0	Sheboygan	7.0
Dane	2.2	Marathon	.6	Taylor	.6
Dodge	7.0	Marinette	1.0	Trempealeau	.6
Door	1.0	Marquette	1.7	Vernon	.6
Douglas	1.0	Menomonie	1.0	Vilas	.6
Dunn	.6	Milwaukee	8.0	Walworth	7.0
Eau Claire	.5	Monroe	.6	Washburn	.6
Florence	1.0	Oconto	1.0	Washington	8.0
Fond du Lac	1.0	Oneida	.6	Waukesha	8.0
Forest	1.0	Outagamie	.9	Waupaca	1.0
Grant	.5	Ozaukee	8.0	Waushara	1.0
Green	1.7	Pepin	.6	Winnebago	.9
Green Lake	1.0	Pierce	2.2	Wood	.6

## ATTACHMENT II-6

### "SECTION 3" COMPLIANCE IN THE PROVISION OF TRAINING, EMPLOYMENT AND BUSINESS OPPORTUNITIES

- A. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given lower-income residents of the project and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project.
- B. The parties to this contract will comply with the provisions of said Section 3 and the regulations pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued there under prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- C. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the set labor organization or workers' representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- D. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- E. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors and assign to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

ATTACHMENT II-7

Notice of Temporary Relocation - Lead-based Paint

Date: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dear \_\_\_\_\_:

On \_\_\_\_ (date) \_\_\_\_\_ rehabilitation work will begin on your home at (address) \_\_\_\_\_. Because this work involves lead-based paint, you are required to be out of the property while the work is being completed. We anticipate that you will need to be out of your home until \_\_\_\_ (date) \_\_\_\_\_. You will be notified when it is safe to return.

We have made arrangements for you and your family to move to \_\_\_\_\_ (hotel w/kitchenette or family/friends) \_\_\_\_\_ until the work is complete and it is safe for you to return to your home. The \_\_\_\_ (hotel name) \_\_\_\_\_ will bill us directly for the cost of the room, and all local telephone calls you may need to make. You must pay \_\_\_\_ (hotel name) \_\_\_\_\_ for all long-distance calls. If you choose lodging other than the (hotel name) \_\_\_\_\_ please contact me before making the move. You may request reimbursement for a maximum of \$ \_\_\_\_\_ per day for lodging.

While you are temporarily out of your home, you may spend up to \$ \_\_\_\_\_ per person per day on meals/groceries. This office will reimburse you based on receipts for reasonable food expenses.

Based on our conversation, this office will reimburse you for documented extra miles per day you must drive to school, work, and shopping. Your mileage reimbursement will be at the rate of \_\_\_\_\_ per mile.

Please remember to take all articles you will need for the duration of this temporary relocation. You will not be permitted to enter the house until testing has shown the property to be clear of lead-based paint hazards.

If you have any questions regarding this temporary move or how to obtain reimbursement for your expenses, please call me at \_\_\_\_ (grantee phone) \_\_\_\_\_.

Sincerely,

**(Note: This is a format guide only. All Temporary Relocation Notices must go out on agency letterhead, and be tailored to the particular situation.)**

ATTACHMENT II-8

TEMPORARY RELOCATION REIMBURSEMENT CLAIM FORM

Occupant Name: \_\_\_\_\_ # of persons in household: \_\_\_\_\_

Project Address: \_\_\_\_\_

Day and time of move from project site: \_\_\_\_\_

Day and time of return to project site: \_\_\_\_\_

Total Lodging Expense: \$ \_\_\_\_\_

( \_\_\_\_\_ nights @ \$ \_\_\_\_\_ )

Total Meal Expense: \$ \_\_\_\_\_

( \_\_\_\_\_ Breakfasts = \$ \_\_\_\_\_ )

( \_\_\_\_\_ Lunches = \$ \_\_\_\_\_ )

( \_\_\_\_\_ Dinners = \$ \_\_\_\_\_ )

Additional Transportation Expense: \$ \_\_\_\_\_

Other pre-approved expenses (explain): \$ \_\_\_\_\_

TOTAL REQUESTED TEMPORARY RELOCATION REIMBURSEMENT: \$ \_\_\_\_\_

The amount listed above accurately reflects my actual temporary relocation expenses. Documenting receipts are attached. Please remit.

\_\_\_\_\_  
Property Occupant Name

\_\_\_\_\_  
Date

I received the amount listed above

\_\_\_\_\_  
Property Occupant

\_\_\_\_\_  
Date

### SECTION III. HOME HHR ENVIRONMENTAL REVIEW

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## **A. Introduction**

All HOME activities are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), which establishes national policy and procedures for protecting, restoring and enhancing environmental quality. They are also subject to other statutes, Executive Orders and regulations dealing with a number of specific environmental concerns, such as historic preservation, floodplains, wetlands, noise and others. NEPA is intended to: (1) improve decision-making by ensuring that all relevant information is considered; and, (2) make that information available to the public.

Environmental regulations are found in the [Environmental Review Procedures for Entitles Assuming HUD Environmental Responsibilities](#) - 24 CFR Part 58, dated April 1, 1997. You may review the most recent regulations online at the following electronic address:

[Environmental Review - HUD Exchange](#)

Sections 58.10 through 58.14 require grantees (local governments receiving funds) to assume the responsibility for environmental reviews. Overall Environmental Review for the HOME program is done by the Environmental Desk. Grantees can meet their responsibilities by familiarizing themselves with the areas addressed by environmental review and providing DEHCR with accurate information about activity sites. The Grantee has a legal responsibility for meeting all environmental review requirements stated in the HOME contract. In addition, the contract between the Grantee and the Department contains environmental review requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## **B. The Importance of Environmental Review**

The Department of Administration (DOA) cannot release HOME contract funds until the environmental review process is complete, and an award and contract are in place.

## **C. Environmental Review Program Implementation Responsibilities**

### **Statutory Checklist**

Each project file should contain a project specific completed copy of the Statutory Checklist (Attachment III-2).

### **Historic Properties**

Attachment 3 outlines the steps to be taken when reviewing individual projects for their potential impact on historic resources.

For each property that is 50 years or older and where the proposed work is not listed as [Historical Activities Exempt from Further Review](#) (Attachment III-4), you must complete an [Initial Project Review Form](#) (Attachment III-5) and return it to DOA. DOA will determine whether additional historical review is required.

**Failure to properly complete the Initial Project Review form will result in delays. Please provide all requested information. It is essential that the proposed exempt and non-exempt worklists be included. Photos can be color or black and white, and should depict a full view of the property and close-ups of work areas.**

If the project is located in an incorporated area, include a complete street address. If your community is unincorporated, include the Town, Range and Section. The accuracy of information you supply makes a difference in how long it takes to review your project. If you have questions, please call the DOA Environmental Review Desk at 608/267-2712.

Any projects that propose demolition, relocation, new construction, capital improvements or ground disturbance must review Attachment III-7. No work other than activities listed as exempt can be undertaken until there has been an opportunity to review the property to determine its eligibility for inclusion in the National Register of Historic Places. The time needed for review is approximately 30 days. NOTE: A realtor's estimate of the building's age is not acceptable. A title abstract or similar documentation of the age must be used.

**NOTE:** In the event that a property address you have submitted is listed on the Wisconsin Historical Society's *Wisconsin Architecture and Historic Inventory* database, DOA will make a determination whether the property is eligible for inclusion in the National Register of Historic Places, and whether the activities proposed will have an adverse impact on the property. In this limited number of cases, DOA may require considerable assistance from grantees to gather historical information about the property. Please read Attachment III-7 to better understand the new review process.

### **Archeological Review**

If a project causes new ground disturbance and if the project cannot be characterized as repair, replacement, rehabilitation, or renovation, the proposed project must be submitted to the DOA Environmental Desk for archeological review. For each such project, complete an Archeological Review form (Attachment III-6). Accurate documentation helps to speed the review process. Note: All new construction requires an archeological review. The review process is similar to that of historic properties. DOA will determine whether projects affect sites eligible for listing on the National Register, and whether adverse impacts will occur, and what mitigation measures must be taken.

### **Coastal Zone Management**

Grantees proposing rehab projects on sites in coastal zone erosion areas should submit projects to the Regional Planning Commission which has jurisdiction in the Grantee's community for review. Coastal zone erosion areas include:

- areas along or adjacent to the Lake Michigan or Lake Superior shoreline, or
- along rivers or streams that drain into either lake, or
- areas within two miles of either shoreline.

### **Wild and Scenic Rivers**

Grantees are discouraged from rehabbing sites that front the Upper and Lower St. Croix and Wolf rivers, and other river segments found on Attachment III-8. If the grantee proposes to undertake such projects, please, consult with the DOA Environmental Desk at 608/267-2712 before starting the project.

## Runway Clear Zones

Grantees must consult with HUD Circular letter HD 85-8 and notify residents of any property found in runway clear zones, in accordance with Attachment III-9.

## Manufactured Hazards or Manmade Hazards

Grantees must determine whether leaking underground storage tanks, hazardous waste facilities, toxic chemicals or radioactive materials, or other potential public health and safety problems either directly or indirectly affect proposed project sites. A list of contaminated sites can be found at: <http://dnr.wi.gov/botw/SetUpBasicSearchForm.do>. If there are any questions, please consult with the DOA Environmental Desk at 608/267-2712 for assistance.

Manufactured hazards include exposure to hazardous chemicals via the air, soil, and water, as well as risks to life and property through proximity to railroads and other industrial activities. 'Air-borne hazards' refer to releases of chemicals from above ground chemical storage facilities. 'Water-borne hazards' include contamination of groundwater by leaking underground storage tanks into well fields. Soil contamination by chemical spills is another means by which humans are exposed to manufactured hazards. Housing sites located within one-quarter mile of industries using or storing hazardous chemicals are generally not suitable. Sites where new construction is to occur must be evaluated to determine whether hazards exist. Sites adjacent to active railroads are also hazards which exposes residents to risk through railroad accidents. Such sites should be avoided wherever possible.

## Noise

General: Regulations found at 24 CFR Part 51, Subpart B, establish noise standards to encourage noise control at the state and community level. In order to determine whether sound levels at a given location are acceptable, HUD has adopted the use of a day-night average sound level (DNL) descriptor. An acceptable DNL does not exceed 65 decibels (dBs). DNLs above 65, but not in excess of 75dBs, are acceptable only if measures are taken to mitigate (lessen or minimize) the noise. Typical sources of excessive noise are highways, railroads, airports and stationary noise sources such as factories and each one is described below:

1. **Highways:** Generally speaking, a major highway is an interstate or other comparable 4-lane divided highway, truck routes in urban areas, U.S.-numbered highways, state-numbered highways, and principal streets within cities. Local access streets in residential districts are not major highways. If the project site is located within 1,000 feet (approximately 0.2 miles) of a major highway, then it is necessary to conduct a noise assessment.

An important piece of information in making such an assessment is the traffic count--the number of cars and trucks using the highway in a 24-hour period. Traffic counts are often available either from a city's streets or traffic department, or from the State Department of Transportation, Planning and Budget Division, Data Development Section, 4802 Sheboygan Avenue, Madison, Wisconsin 53705. Traffic counts for major streets are also available from DOA.



Traffic counts do not exist for all streets. When counts do not exist, it is necessary to get the traffic count closest to the location of the facility. Once traffic counts are obtained, a noise assessment can be calculated. Contact the Environmental Review desk at 608/267-2712 for more information.

2. **Railroads:** The principal factors in measuring railroad noise are: the distance from the project site to the tracks, the number of trains per day, the speed of the trains, the average number of engines and cars for each train, and whether there are any intervening buildings to moderate the noise. This information can usually be obtained from the nearest freight agent of the railroad. Abandoned tracks, or railroad lines with less than daily service, are not considered to be significant noise sources.
3. **Airports:** The most critical factors in assessing airport noise are: the number of scheduled jet flights, the portion of which are night flights, and the distance of the project site from the flight path. The airport manager can supply this information to you. The number of none jet flights is not a factor in this calculation.
4. **Stationary Noise Sources:** Factories and industrial facilities should be considered potential noise sources as well. The distance from the project site to the noise source, the hours of operation of the industrial facility, and whether there are any intervening buildings to moderate the noise must be considered.

The focus of the regulations is to determine the noise level of the actual location where the funded activity is to take place. In most cases, it is the interior noise level of a building that is of importance. If interior noise levels are determined to be excessive, then measures may be required to reduce the interior noise to an acceptable level.

#### Noise Standards

1. Is the project site located within 1,000 feet of a major road, highway, county trunk, truck route, state or federal highway, or urban business route?  Yes  No
2. Is the project site located within 3,000 feet of an active rail line (used as least daily)?  
 Yes  No
3. Is the project located within two miles of a general aviation, or military airport handling jet operations with scheduled air service?  Yes  No
4. Is the project site located within 1,000 feet of any other noise-generating source, such as an industrial plant?  
 Yes  No

If the answer to any of the above four questions is “yes,” then a potential noise problem exists which may require additional mitigation measures.

If sites are located along roads with more than 10,000 vehicles per day, railroads with more than two trains per day, airports with scheduled jet service, or are adjacent to large stationery noise sources, grantees are encouraged to work with property owners to consider and include noise abatement measures as a part of the project. Consult with DOA Environmental Desk at 608/267-2712 for recommendations on specific noise abatement measures.

## Floodplain Management

The use of HOME funds for substantial rehab (defined as costing 50% or more of the before-rehab market value of the structure) on properties in the 100-year floodplain is discouraged by federal regulations. The Grantee's initial responsibility for all projects is to record the Flood Insurance Rate Map number (FIRM) for each such property. Contact either DNR district offices, local government emergency units or zoning offices for assistance in locating floodplain maps of your area.

Executive Order 11988 requires federal agencies and recipients of federal funds to protect the values and benefits of floodplains, and to reduce risks of flood losses by not conducting, supporting, or allowing actions located in a floodplain unless it is the only practicable alternative. Whether a property is located in or near a floodplain depends on the nearness of drainage ways, streams, rivers or coastlines (in terms of horizontal distance), the volume of water, and the relative elevation of the floodplain and the affected property. If such features exist within one mile of the property, the location of the 100-year floodplain must be determined in Question 2 (below), as follows:

1. Are there drainage ways, streams, rivers, or coastlines on or within one mile of the project site? \_\_\_ Yes \_\_\_ No
2. If yes, is the project site located in the 100-year floodplain? \_\_\_ Yes \_\_\_ No

FIRM Map #: \_\_\_\_\_ Effective Date: \_\_\_\_\_

**NOTE:** If a project is determined to lie within a 100-year floodplain, it may be necessary to consider an alternative site.

The floodplains for most sections of Wisconsin have been mapped by the Federal Emergency Management Agency (FEMA), through its Flood Insurance Rate Map (FIRM) program. Consult the map of your area. They are often available locally, through planning departments of local governments, regional planning commissions, public libraries, etc., or from the Department of Natural Resources. FIRMS are also available at the following web address: [Flood Maps | FEMA.gov](#) The DNR employs a Floodplain Zoning Specialist in each county in Wisconsin. That individual can respond to specific questions about floodplains in your community. When making your determination, please note the map number and its effective date.

Where such sites cannot be avoided, please contact DOA for assistance. Flood insurance will be required on homes using Federal HOME funds for one year from the date on which the loan is made. If a resident is unable to afford the cost of insurance, the grantee may purchase it. Furthermore, owners and tenants must be notified if the property lies in "the 1% Annual Chance Flood" zone (100-year floodplain). Finally, the HOME program will fund rehab of such properties one time only. If a residence is subsequently flood damaged, the program will not pay for the same repair costs a second time.

Several restrictions apply to the disposition of multi-family properties, including notification of tenants about local, state or federal floodplain regulations, and any land use restrictions that limit the use of the property. Critical actions (defined as any activity for which even a slight chance of flooding is too great because of the potential loss of life, injury or potential property damage) require notification of current and prospective tenants about the hazards and about the availability of flood insurance.

## **Wetlands Protection**

Executive Order 11990 requires all agencies to refrain from supporting construction in wetlands whenever there is practicable alternative, to avoid either destroying or modifying wetlands. Adverse impacts include erosion or sedimentation, pollution through septic tank seepage, filling, and similar excessive or improper uses of the wetlands.

Selecting sites outside wetlands is essential for projects using federal funds, because Executive Order 11990 discourages federal agencies from initiating or participating in new construction within areas affecting wetlands.

Grantees must obtain a permit from the Corps of Engineers before undertaking activities that affect wetlands. The term "wetland" refers to marshes, bogs, and other areas that are inundated at least seasonally. Other areas considered wetland are sloughs, wet meadows, river overflows and ponds. Avoiding such areas is strongly recommended.

1. Is the project site located in a wetland area, or are there any ponds, marshes, bogs, swamps, or other wetlands within 500 feet of the project area? \_\_\_ Yes \_\_\_ No
2. If the project site is located in or near a wetland area, will your project result in fill (such as topsoil, gravel, etc.) being placed in the wetland area, or will it result in greatly increased usage of the wetland? If the answer to either question is "yes," further technical analysis may be required to determine if mitigating measures are necessary. \_\_\_ Yes \_\_\_ No

## Floodplains and Wetlands

Approximately 85% of the nation's wetlands are on or adjacent to floodplains. The procedures for fulfilling the requirements of Executive Order 11990 should be combined with and performed at the same time as the floodplain analysis under Executive Order 11988.

## **Water Quality**

The Safe Drinking Water Act of 1979 (42 U.S.C. 201, 300 (f) et seq., and 21 U.S.C. 349) governs activities which affect the water in the U.S. It requires that permits be obtained from the Corps of Engineers before dredging or filling of rivers, streams, lakes, or wet-lands. This act also controls the discharge of effluents (such as treated sewage) into water. If any project plan includes such activities, contact DOA for assistance.

## **Solid Waste Disposal**

Projects that substantially increase pressure on existing landfills, or that generate hazardous waste, are discouraged. Hazardous waste disposal must meet DNR regulations, and licensed carriers must transport and dispose hazardous waste.

## Endangered Species

If the project consists of new construction of any type, it must be reviewed by the U.S. Fish and Wildlife Service to determine whether it would have an impact on endangered or threatened species. You may review the current list of such species by accessing the following website: [Endangered Species | Species | U.S. Fish & Wildlife Service \(fws.gov\)](#)

## Farmland Protection

New construction activities that represent the first such intrusion into an area previously zoned agricultural are discouraged, and new construction should not occur on land zoned agricultural.

## Air Quality

Grantees should refrain from projects that either increase the amount of air pollution (such as through greatly increasing automobile traffic), or which subject the residents to excessive levels of air pollution. Please consult with DOA Environmental Desk at 608/267-2712 if you have questions about this area.

## Thermal and Explosive Hazards

The proximity of petroleum or chemical storage tanks to a proposed housing site is also an environmental concern. Many older neighborhoods in cities and towns contain industries which use or store such products. While fire safety codes generally assure safe operation and minimize these risks, such sites may represent hazards to residents. Therefore, it is important that housing sites be evaluated carefully to determine whether such risk is present. Grantees should make every effort to avoid sites that place residents at risk.

In general, sites within one-quarter mile of such a site, particularly when there are no intervening structures, are generally unsuitable for new housing development, or for substantial rehab projects (i.e., those whose value exceeds 50% of the before-rehab value of the house). The Department of Administration maintains a list of above-ground and underground storage tanks. Consult with the DOA Environmental Desk at 608/267-2712 for assistance in evaluating potential hazards.

## Red Flags

The following "red flag" issues are those most likely to occur in projects involving moderate or substantial rehab:

- 1) Issue: Property may be 50 years old or older

What to do: Determine exact age of building from title abstract or other document. Follow instructions on flow chart "Steps in Historic Review Process" (Attachment 3). Contact the DOA Environmental Desk if further assistance is required;

- 2) Issue: Property is located near a river, lake, wetland or other body of water that is inundated at least seasonally.

What to do: Determine whether site is located in 100-year or 500-year floodplain, is located in or adjacent to a wetland, lies in a designated coastal zone county (along either Lake Superior or Lake Michigan); and if near a river, whether the river is a designated "Wild and Scenic River" (see Attachment 8). Avoid such sites if possible. Contact DOA Environmental Desk for further assistance;

- 3) Issue: Property is located near a commercial airport.

What to do: Consult Attachment 9 to determine if proposed site is in Runway Clear Zone.

Recommendation: Avoid such sites if possible. Contact DOA Environmental Desk if no alternatives exist;

- 4) Issue: Property is located within one-quarter mile of an industrial site using or storing flammable or explosive materials.

What to do: Determine, if possible, the names of the materials used in the industrial facility. Contact DOA Environmental Desk to determine whether site is located a safe distance from site;

- 5) Issue: Property is located near a busy highway or thoroughfare, airport, rail line, or other significant noise source.

What to do: Contact DOA Environmental Desk to determine whether potential interior noise levels are excessive, and whether acoustical buffering is recommended;

- 6) Issue: Property is located near a manmade hazard, such as a hazardous waste facility, leaking underground storage tank, or other public health and safety hazard.

What to do: Avoid such sites if at all possible. Contact DOA Environmental Desk for further instructions; and

- 7) Issue: Project activity would take place on land zoned agricultural (new construction only).

What to do: Avoid such sites if possible. Contact DOA Environmental Desk if no alternatives exist.

You may contact DOA Environmental Desk at 608/267-2712. All correspondence/information related to any of the above situations should be submitted to:

Environmental Desk

Department of Administration

Division of Energy, Housing and Community Resources

P. O. Box 7970

Madison, WI 53707-7970

[DOA EnvironmentalDesk@Wisconsin.gov](mailto:DOAEnvironmentalDesk@Wisconsin.gov)

**ATTACHMENT III-1**

**COMPARISON WITH FEDERAL LAWS AND AUTHORITIES**

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
<b><u>Historic Properties</u></b>				
National Historic Preservation Act, 16 U.S.C. 470 (f), Sections 106 and 110	36 CFR Part 1294, 36 CFR Part 800	All actions affecting proper-ties on or eligible for National Register of Historic Places.	Protect sites, buildings, and objects with National, State, or local historic or cultural significance. Identify effects of project on properties.	<b>Note:</b> The DOA Environmental Review Coordinator assumes the responsibility for Sec. 106 compliance.
E.O. 11593, Protection and Enhancement of the Cultural Environment.				
Archeological and Historic Preservation Act of 1974				
<b><u>Floodplains</u></b>				
E.O. 11988 Floodplain Management Guidelines (44 PR 47623)	24 CFR Part 55	Any action proposed for a floodplain.	Involve the public throughout the floodplain management decision-making process.	Department of Natural Resources Flood Hazard Boundary Map and/or Flood Insurance Rate Map Corps of Engineers Local Planning Agency
Flood Disaster Protection Act of 1973, as amended				
National Flood Insurance Program			Avoid direct or indirect support of floodplain development wherever there is a practicable alternative.	
HUD General Statement Policies				

## ATTACHMENT III-1

### COMPARISON WITH FEDERAL LAWS AND AUTHORITIES

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
<b><u>Wetlands</u></b>				
E.O. 11990, Protection of Wetlands (44 PR 47623)	24 CFR Part 55	Any construction action proposed for in a wetland.	Avoid direct or indirect support of new construction in wetland wherever there is a practicable alternative.	Department of Natural Resources
<b><u>Coastal Zone Management</u></b>				
Coastal Zone Management Act 16 U.S.C. 1451-1464	15 CFR Part 930 44 FR 37142	Any proposed activity affecting areas covered by an approved coastal zone. Applies to counties bordering Lake Michigan and Lake Superior.	Needed to meet requirements of categorical exclusions 58.35(b). Section 5 and 6 of the Act prohibit expenditures of federal funds within the Coastal Barriers Resources system. Ensure that projects are consistent with coastal zone program.  HUD assistance may not be used for most activities proposed in the Coastal Barrier Resource System	Department of Administration Office of Coastal Zone Management Regional Planning Commission Coastal Zone Planner
Pursuant to the Coastal Barrier Resources Act, as amended, 1982				
<b><u>Water Quality</u></b>				
Clean Water Act, 33 U.S.C. 12511376, et seq., Section 404	33 CFR Part 320325, 33 CFR Part 230	Any activity involving disposal or placement of dredged or fill material in navigable waters.	The 404 permit program is administered by Corps of Engineers. EPA has authority to veto permit.  Compliance with 208 plan.  Projects cannot affect rivers, streams, lakes and wetlands, either by dredging, filling or discharging effluents.	Army Corps of Engineers Department of Natural Resources
Water resources include any requirement related to fish and wildlife and scenic rivers				

## ATTACHMENT III-1

### COMPARISON WITH FEDERAL LAWS AND AUTHORITIES

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
<p>Safe Drinking Water Act U.S.C. 300</p>		<p>Federally assisted projects which may contaminate an aquifer designed by EPA as the sole source of drinking water for a community. No sole source aquifers in Wisconsin, per EPA.</p> <p>If capacity of a storm sewer is overloaded so runoff from the project cannot be accommodated = major impact.</p> <ul style="list-style-type: none"> <li>• For larger projects consider: storm water</li> <li>• Runoff pollution</li> <li>• Reduction of paved or impermeable areas</li> </ul> <p>Civil engineer should perform analysis to determine if the system for storm water is adequate.</p>	<p>Prohibits financial assistance to projects which EPA determines may contaminate a designated sole source aquifer.</p>	<p>None required for projects occurring in Wisconsin.</p>



**ATTACHMENT III-1**

**COMPARISON WITH FEDERAL LAWS AND AUTHORITIES**

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
<b><u>Endangered Species</u></b>				
Endangered Species Act 16 U.S.C. 1531, Section 7	50 CFR Part 402	Any action which might jeopardize continued assistance of endangered or threatened species or result in destruction or modification of critical habitat.	Federal agencies shall insure that their actions conserve listed species and ensure, in consultation with FWS, that their actions do not jeopardize listed species or modify critical habitat.	U.S. Fish & Wildlife Service Department of Natural Resources
<b><u>Wild and Scenic Rivers</u></b>				
Wild and Scenic Rivers Act, 16 U.S.C. 1271 and 1278 (b)-(c)	President's Environmental Message, 8-2-79, CBQ Memorandum, 8-10-80, Interagency Consultation on Rivers in the Nationwide Inventory.	Rivers designated under the Act proposed activity affecting rivers on the Nationwide Inventory of potential wild, scenic and recreational rivers. Currently affects projects sited along Wolf River and Upper and Lower St. Croix Rivers, and numerous other river segments considered for inclusion in the Nationwide Rivers Inventory (1982).	Preserve wild and scenic rivers. Assure that federal actions do not foreclose designation under the Wild and Scenic Rivers Act.  Considers impact to Wild & Scenic Rivers in relation to floodplains, wetlands, Safe Water Drinking Act, and endangered species.	U.S. Department of Interior Department of Natural Resources Review proposed project on: National Wild & Scenic Rivers System Components - WI

**ATTACHMENT III-1**

**COMPARISON WITH FEDERAL LAWS AND AUTHORITIES**

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
<b><u>Air Quality</u></b>				
Clean Air Act 42 U.S.C. 7400 et seq., Section 176(c) and (d) (42 U.S.C. 7506(c) and (d)) and Section 117		Large stationary pollution sources.	Compliance with stationary source air pollution standards for major sources emitting 100 tons per year of a single air pollutant.	Department of Natural Resources
Determining conformity of federal actions to state or federal implementation plans (EPA 40 CFR Parts 6, 51 and 93)			Grantees refrain from projects that either increase air pollution (major increase in traffic) or expose residents to excessive levels of air pollution.	
		All actions, and actions in southeast Wisconsin EPA-designated non-compliance areas.	Screen to determine if site is in a location in violation of ambient air quality standard--assess impacts on project.	Department of Natural Resources Check Compliance or Non-Compliance area
NR 406	DNR	<ul style="list-style-type: none"> <li>• Installation of large fuel burning equipment</li> <li>• Demolition</li> <li>• Construction of new roads or parking area of over 1,000 cars</li> <li>• Sandblasting/paint removal, particularly water towers</li> </ul>	DNR administrative rule NR 406.	Contact the Air Management Specialist

## ATTACHMENT III-1

### COMPARISON WITH FEDERAL LAWS AND AUTHORITIES

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
<p><b><u>Farmland Protection</u></b>            Farmland Protection Policy Act of 1981 7 U.S.C. 4201, (FPPA) et seq., particularly Sec. 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202)</p>	<p>7 CFR Part 658</p>	<p>Any federally-assisted action which encourages the conversion of prime, unique, state/locally important farmlands.</p> <p>Land is defined urban use if any one is true:</p> <ul style="list-style-type: none"> <li>• density exceeds 30 structures per 40 acres; if land is urban use, FPPA does not apply.</li> <li>• the land is zoned for residential use.</li> <li>• land use plan adopted 10 years prior</li> </ul>	<p>Minimize the extent to which federal programs contribute to the unnecessary conversion of farm-land to nonagricultural uses.</p> <p>Prime Farmland:</p> <ul style="list-style-type: none"> <li>• Conversion Impact Rating Form AB-1006 from local Soil Conservation Service (SCC or DOA); fill out and return to SCS and office will return determination in 45 days</li> </ul>	<p>Department of Agriculture, Trade and Consumer Protection            Department of Administration, Bureau of Housing            Clerk's Office</p>

**ATTACHMENT III-1**

**COMPARISON WITH FEDERAL LAWS AND AUTHORITIES**

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
<b><u>HUD Environmental Standards</u></b>				
Noise	24 CFR Part 51, Sub. B	All actions.	Determine if site is near a major noise source, i.e., civil airports (within 5 miles); or military airfields (within 15 miles); or major highways or busy roads (within 1,000 feet); or railroads (within 3,000 feet).  Compliance with special provisions for CDBG projects required.	Department of Administration, Bureau of Housing ER Desk Department of Transportation Railroads Public Works
HUD Regulation: Noise Abatement Control				
Thermal/Explosive Hazards	24 CFR Part 51, Sub. C	All actions.	Application and criteria for determining Acceptable Separation Distance (ASD). Minimize the impact of environmental hazards on HUD-assisted activities--chemical and radioactive materials, activities of flammable or explosive nature, aircraft hazards. If HUD requirements and hazard cannot be mitigated, project determination "NOT IN COMPLIANCE."	State and Local Emergency Government Office

## ATTACHMENT III-1

### COMPARISON WITH FEDERAL LAWS AND AUTHORITIES

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
Airport Clear Zones	24 CFR Part 51, Sub. D	All actions.	Runway clear zone notification. All requirements in 24 CFR 51.303(a)(3).	Check for proposed project site on Reference HUD Circular Letter HD 85-8, Purchase of Sale of Property in Runway Clear Zone
HUD Environmental Standards	24 CFR Part 5		Financial assistance may not be provided in an area identified by FEMA as having special flood hazards unless flood insurance is obtained by property owner.	Responsible entity advise buyer. Buyer must sign statement
			Minimize the impact of environmental hazards on HUD-assisted activities--chemical and radioactive materials, activities of flammable or explosive nature, aircraft hazards. Zone notification 24 CFR 51.303(a)(3).	
<b><u>Manmade Hazards</u></b>		All actions	Avoid sites on, or adjacent to, leaking underground storage tanks, waste disposal sites or sites/ facilities which may cause or threaten to cause environmental pollution and/or negatively impact human health.	Department of Natural Resources
HUD Notice				

**ATTACHMENT III-1**

**COMPARISON WITH FEDERAL LAWS AND AUTHORITIES**

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
<p>Environmental Justice</p> <p>Executive Order 12898. Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Population, February 11, 1994</p>			<p>Help provide safe, healthy housing. Reduce exposure to adverse environmental concerns.</p>	
<p>Toxic Chemicals and Radio Active Materials</p> <p>HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979</p>		<p>All actions</p>	<p>Check for general proximity (from proposed site) to: dumps, landfills, industrial locations.</p> <p>If HUD requirements and cited hazard cannot be mitigated to reach safety for human health project determination "NOT IN COMPLIANCE."</p>	<p>Department of Natural Resources/EPA Local Area for CERCLA Superfund/Spill Information Site List Owner/operators of Storage Facilities Local officials and state agencies for previous uses of site</p>

## ATTACHMENT III-1

### COMPARISON WITH FEDERAL LAWS AND AUTHORITIES

Legislation	Regulation	Applicability	General Requirements	Coordination/Consultation
<b><u>Solid Waste and Hazardous Waste Disposal</u></b>				
42 U.S.C. 6901-6987	40 CFR 257.3-1	All applicable actions.	State or regional solid waste management is mandated for siting of sanitary landfills and the closing of open dumps.  Prohibit hazardous waste disposal in a number of sensitive ecological areas (e.g., floodplains, sole source aquifers).  Lead-based paint or asbestos.  Will the solid waste disposal service/support proposed project developments.	Department of Public Works Department of Natural Resources Private Contractors

**ATTACHMENT III-2**

(A copy should be placed in file of each activity funded under recipient's grant.)

STATUTORY CHECKLIST

Project Address: \_\_\_\_\_  
 \_\_\_\_\_

**AREA OF STATUTORY--REGULATORY COMPLIANCE**

<b>Environmental Issue</b>	<b>Property in Compliance if:</b>	<b>Compliance Status</b>
Historic Properties	Property is less than 50 years old, or if activity is listed on "Activities Exempt from Further Review."	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Floodplain Management	Property not located in 100 year floodplain. F.I.R.M. _____	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Coastal Areas Protection and Management	Property not on a river or stream flowing into or within one-half mile of Lake Michigan or Lake Superior, or located on shoreline of either lake.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Wild and Scenic Rivers	Property not located on either the St. Croix or Wolf Rivers or National Wild and Scenic Rivers System Components - Wisconsin.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Runway Clear Zones, Clear Zones and Accident Potential Zones	Not listed on HUD Circular letter HD-85-8, 5/23/85.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Manmade Hazards	Not located on or adjacent to site of a previous chemical spill, leaking underground storage tank, Superfund site, industrial site, old mine, hazardous industry.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Noise	Project not within: 5 miles of civil airport; 15 miles of military airfield; 1,000 feet of busy roadway; 3,000 feet from railroad.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required



Wetlands Protection	Project site not located in an existing wetland or impacting on existing wetland. No direct or indirect effect.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Water Quality	Project causes no dredged or fill materials in navigable waters, including wetlands: preapproved general permit or no effect..	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Water Quality: Sole Source Aquifers	None in Wisconsin per EPA.	<input checked="" type="checkbox"/> Not Applicable to this Project: in Compliance
Solid Waste Disposal Availability, Renovation and Demolition with Asbestos or Lead Based Paint	No hazardous waste is generated or no excessive pressure placed on existing landfills.*	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Endangered Species	No threats to either species or habitats.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Farmland Protection	Unique or protected farmland is not developed.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Air Quality	No permanent effect on air quality (construction dust excluded), if: NO DEMOLITION or installation of large fuel burning equipment.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required
Thermal and Explosive Hazards	Property not located or adjacent to an industrial facility that creates explosive or thermal hazard.	<input type="checkbox"/> Compliance or Not Applicable <input type="checkbox"/> Consultation/Review Required <input type="checkbox"/> Conditions and/or Mitigation Actions Required

\* NOTE: Building components containing lead-based paint are not considered hazardous waste and may be disposed with other household waste, unless the lead-based paint is concentrated in the form of debris, paint chips, dust and sledge and exceeds the regulatory limit of 5mg/L lead in the waste leachate.

I certify that, to the best of my knowledge, this activity is in compliance with NEPA and the implementing regulations of the program funding this activity.

\_\_\_\_\_  
Grant Administrator

\_\_\_\_\_  
Date

**ATTACHMENT III-2A**

**COMPLIANCE WORKSHEET**

**NOTE:** *This worksheet has been designed to assist grantees to determine whether a project is in compliance with environmental concerns found on the Statutory Checklist.*

**WATER/FLOODPLAINS/WETLANDS/ RIVERS**

Obtain a copy of the floodplain map depicting the proposed project location. Please include the map's Legend and Panel number(s). Avoid actions in a 100- or 500-year floodplain. If an action must occur in a 100-year floodplain, provide the required documentation to meet with HUD compliance. An 8-step flood-action-plan and a 32-day public notice may be required.

Is the project located on a lake, river, stream, or another body of water? (List names)

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Is the project located in a wetland or adjacent to a wetland?

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Is the water supply municipal or a private on-site well? If a public system is not available, will individual wells meet the Safe Drinking Water Act?

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List all lakes, rivers, streams, and wetlands within one mile of proposed site

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**ENDANGERED SPECIES AND PLANT LIFE**

Will the project affect endangered species and/or their habitats?

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**WASTE DISPOSAL**

Provide evidence of available solid waste disposal facility for proposed project waste disposal

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**ZONING**

Provide the current zoning, and if a zoning change will occur, supply zoning change documentation

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**NOISE - ROADWAY**

List roadways within 1,000 feet of proposed project (10,000, or more, vehicles per day):

Name of roadway:

The distance from the road to proposed project site:

The distance to the nearest traffic lane:

The number of traffic lanes:

The distance to the furthest traffic lane:

The speed limit:

Distance to stop signs of traffic lights:

**AIRPORTS/RUNWAY CLEAR ZONES AND CLEAR ZONES**

*(SEE NOTICE TO PROSPECTIVE BUYERS – attached)*

Cite public airports within five miles and military airports within 15 miles of the proposed project site.

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**NOISE - RAILROADS**

When an active railroad is the only noise source within 1,000 feet, review only the 1,000 feet range. If more than one noise source exists, list active railroads within 3,000 feet of the proposed project site. Provide the following:

The distance from proposed project to railroad\_\_\_\_\_

(If the distance is 1,000 feet, or less, obtain remaining info.)\_\_\_\_\_

The number of locomotives per train\_\_\_\_\_

The number of cars per train\_\_\_\_\_

The speed of train\_\_\_\_\_

The number of trains in a day\_\_\_\_\_

The number of trains at night\_\_\_\_\_

Is it a one-way track?        \_\_\_ Yes \_\_\_ No

Is it a two-way track?        \_\_\_ Yes \_\_\_ No

Number of train tracks\_\_\_\_\_

Is it a single track?        \_\_\_ Yes \_\_\_ No

Is it a double track?.        \_\_\_ Yes \_\_\_ No

Are the train tracks bolted?    \_\_\_ Yes \_\_\_ No

Are the train tracks welded?    \_\_\_ Yes \_\_\_ No

Provide a detailed description and photos of any existing noise barriers between the railroad and the proposed project site:

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**MANUFACTURED OR MANMADE HAZARDS**

List industrial plants or facilities within one-quarter mile of proposed project site, and locate them on the site map.

\_\_\_\_\_

List above ground storage tank facilities within one-quarter mile of proposed project site, and locate them on the site map.

\_\_\_\_\_

List chemical or pesticide related storage facilities/warehouses and farmer's Co-ops within one-quarter mile of site, and locate them on the site

map. \_\_\_\_\_

\_\_\_\_\_

List landfills, hazardous waste disposal sites and superfund sites within one-quarter mile of the proposed project site.

\_\_\_\_\_

List Leaking Underground Storage Tanks (L.U.S.T.S.), Toxic or Chemical Spills or Radioactive materials (on or adjacent to site area) or Electromagnetic hazards (Information Line: 1 800-EMF-2383) within one-quarter mile of the proposed project

site. \_\_\_\_\_

\_\_\_\_\_

**AIR QUALITY:**

Ref: The Clean Air Act/Federal and State: 40 CFR Parts 6, 51, and 93)

Is the project located in a non-attainment zone? \_\_\_ Yes \_\_\_ No

NOTE: Southeastern Wisconsin counties (Kenosha, Racine, Milwaukee and adjacent suburban counties) are designated by the EPA as a non-attainment zone.

List industries, manufacturing, and processing plants (including quarries and mines within one-half mile of proposed project site) and locate them on the site

map. \_\_\_\_\_

\_\_\_\_\_

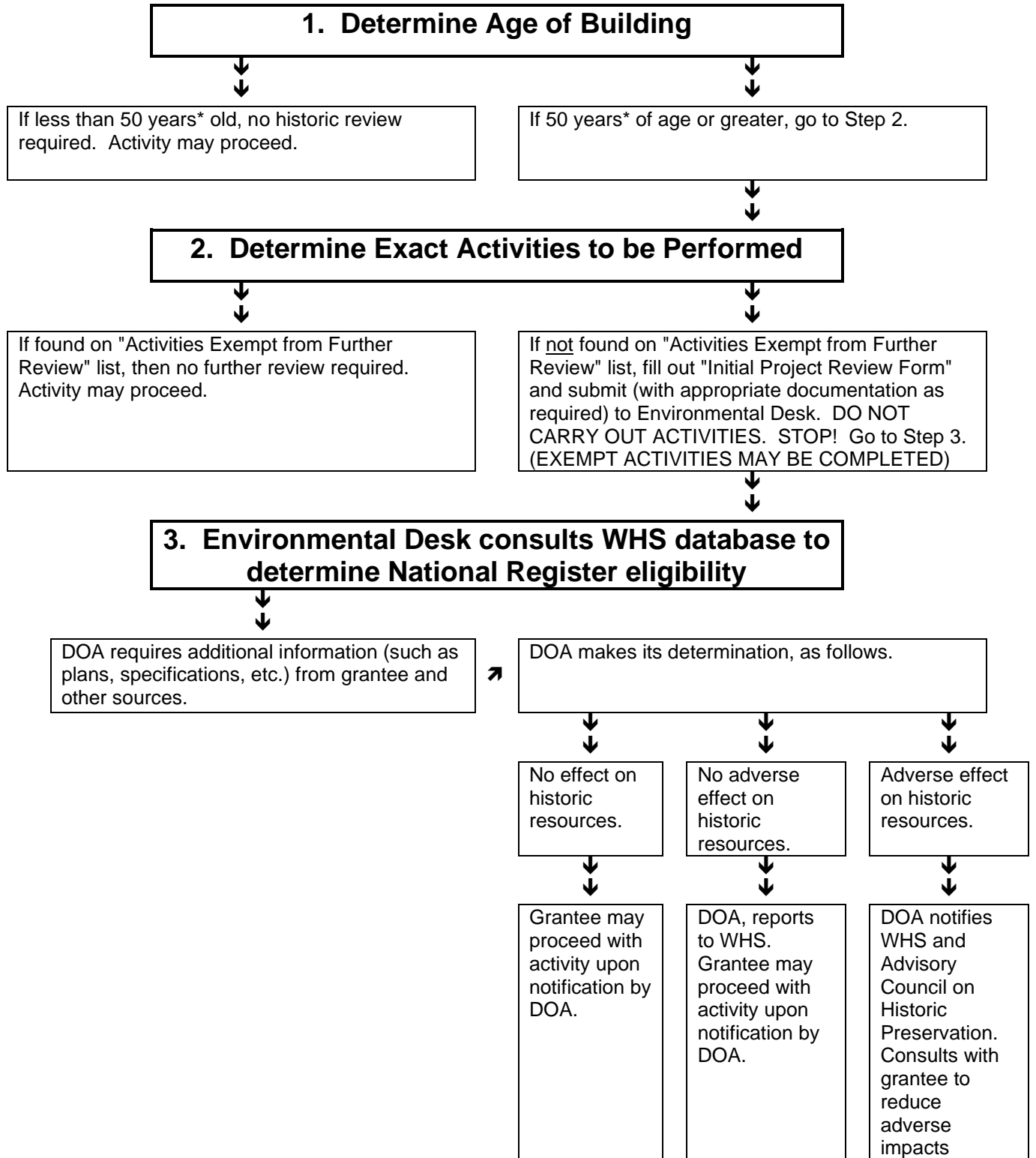
If a hazardous industry or facility exists, provide the facility name, address, and contact person, if available, for the potential

hazard. \_\_\_\_\_

\_\_\_\_\_

ATTACHMENT III-3

STEPS IN HISTORIC REVIEW PROCESS



\* **NOTE:** Age of building is calculated as 50 years before current year.

## ATTACHMENT III-4

### ACTIVITIES EXEMPT FROM FURTHER REVIEW

*General Guidance: Any activity that repairs or replaces existing installations is generally permitted without review by the State Historical Society. Any activity that modifies or enlarges an installation may have an effect on its historic character and must be reviewed by the SHS. Note, however, that the replacement of an existing wheelchair ramp, as well as the replacement of existing landscaping features are activities that must be reviewed by the SHSW.*

#### Non-Construction Work

1. Acquisition of properties when there is assurance by the Division that historic structures and buildings will be secured and protected from vandalism, arson, and the elements, pending their rehabilitation, disposal or reuse. **NOTE:** If the project is acquisition and rehabilitation, the project must be submitted for any needed review prior to acquisition.
2. Architectural and engineering fees and other non-construction fees and costs.
3. Rental or purchase of vehicles or other motorized equipment.
4. Rental and installation of scaffolding.
5. Temporary bracing or shoring as part of stabilization, provided that it is installed without permanent damage to the building site.

#### Site Work

6. Installation of temporary, reversible barriers such as chain link fences and polyethylene sheeting and tarps.
7. Repair, line painting, resurfacing, and maintenance of existing streets, alleys, sidewalks, and curbs, provided that no change in width, surface, vertical alignment, or drainage will result.
8. Maintenance and repair of existing landscape features, including plantings, fences, walkways, and statuary. **Note:** Replacement of these features is considered to be new construction and is subject to SHS review.
9. Upgrading, replacement, and repair of existing utility service lines and sewer systems, including private septic and water systems, as long as work is confined to existing and disturbed rights-of-way.
10. Maintenance, repair, and in-kind replacement of street lights, traffic signals, and traffic signs.

#### Building Exterior

11. Repair or partial replacement of porches, cornices, exterior siding, doors, balustrades, stairs, or other trim when the repair or replacement is done in-kind and matches the appearance of the material being replaced.
12. Repair of existing wheelchair ramps, unless the ramps are to be substantially replaced. **Note:** Because ramps may significantly affect the appearance of a historic building, the replacement of ramps is considered to be new construction and is subject to SHS review.
13. Foundation repair and replacement of cast-in-place concrete.

14. Removal of exterior paint by non-destructive means, limited to:
- Hand-scraping;
  - Low-pressure water wash, less than 600 psi;
  - Heat plates or hot air guns;
  - Chemical paint removers, if the cleaning contract requires that the chemicals be tested on the surfaces to ensure that no damage will result.

***Note that water washes, heat plates, hot air guns and chemical paint removers can be destructive to the building or harmful to the person removing paint. These methods should be used cautiously.***

15. Exterior painting of wood siding, features and trim.
16. Exterior painting of brickwork, if existing surfaces are already painted.
17. Repair or in-kind installation of roofing, gutters, and down spouts. The SHPO will not review color choices in roofing materials.
18. Window repair, including caulking and weather-stripping of existing window frames, installation of new, clear glass in existing sashes, and replacement glazing compound in existing sashes.
19. Installation of storm windows, as follows:
- a. Glass and screen replacement in existing storm window units.
  - b. New wood or baked-enamel finished metal storm windows, installed on the exterior, provided they:
    - Completely fill the original window openings with glazed window units;
    - the meeting rail (or other major division) pattern of the primary window;
    - Do not protrude beyond the face of the building.
  - c. New interior storm windows, provided that they:
    - Completely fill the original interior window opening with glazing;
    - Do not cause damage to the original interior trim;
    - Match the meeting rail (or other major division) pattern of the primary window;
    - Are designed to seal completely so as to protect the primary window from condensation damage.
20. Replacement of primary (non-storm) windows, provided that they:
- Utilize the same material as the original window (in-kind replacement);
  - Completely fill the original window opening with glazing;
  - Do not cause damage to the original interior trim;
  - Match the meeting rail (or other major division) pattern of the existing windows.



21. Installation of storm doors on elevations not facing streets, if the storm doors are undecorated and have a painted finish. *Decorated storm doors* include those with false metal hinges, scalloped windows, applied window muntins, and stamped metal to imitate framing members.
22. Caulking and weather-stripping with compatibly colored materials.
23. Repair or in-kind replacement of signs and awnings.

### **Building Interior**

24. Finishing of unfinished basements or attics.
25. Repair of existing interior walls. Note: This exemption applies to limited repair of wall surfaces only. Removal and replacement of entire wall surfaces, and reconstruction of walls is subject to SHS review.
26. Application of new drywall over plaster surfaces if:
  - Interior trim and features are removed and reapplied in original locations over the new drywall; and
  - No decorative plasterwork exists on the wall surfaces.
27. Repair and refinishing of interior floors.
28. Replacement of floors in-kind when original floors have been damaged beyond repair.
29. Installation of wallpaper.
30. Installation of carpeting, providing that installation does not damage any underlying wood, stone, or terrazzo floor surfaces.
31. Replacement of vinyl or similar floor coverings.
32. Repair or installation of new basement floors.
33. Kitchen and bathroom remodeling, if no walls, windows, or doors are altered.

### **Mechanical, Electrical, and Plumbing Systems**

34. Installation of new furnaces and water heaters, if:
  - The work utilizes the existing heat distribution system; and
  - Does not result in installation or relocation of chimneys or condenser units.
35. Upgrading, repair and replacement of electrical systems and plumbing systems and fixtures.

**Note:** The removal of original electrical fixtures, such as lights, and the installation of new electrical fixtures are subject to SHS review.
36. Asbestos abatement activities that do not involve removal or alteration of interior decorative features.

ATTACHMENT III-5

INITIAL PROJECT REVIEW FORM

(To be submitted when properties are 50+ years old and activities are not exempt from review)

Date: \_\_\_\_\_  
County Where Project Located: \_\_\_\_\_ Age: \_\_\_\_\_  
Project Address: \_\_\_\_\_  
Owner Name: \_\_\_\_\_  
Requesting Agency: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Title: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Please complete and return form to: Environmental Desk

Department of Administration  
Division of Energy, Housing and Community Resources  
101 E. Wilson Street (53703)  
P. O. Box 7970  
Madison, WI 53707-7970  
[DOA EnvironmentalDesk@Wisconsin.gov](mailto:DOA_EnvironmentalDesk@Wisconsin.gov)

I. ADMINISTRATIVE DATA

Program Category Name \_\_\_\_\_  
Subrecipient ID Number: \_\_\_\_\_ Contract # \_\_\_\_\_  
Name(s) of Federal and/or State Agency(ies) Involved in Project: \_\_\_\_\_

Description of Project: Use the following procedure to describe the nature and extent of work involved in the proposed project:

1. Submit list of proposed work to be done.
2. Submit list of proposed work items which DO NOT appear on the Activities Exempt from Further Review list (Attachment 9).

II. ARCHITECTURAL/HISTORIC RESOURCES CHECKLIST

To the best of your ability, indicate if the Project site may impact properties on the following lists:

- National Register of Historic Places
- Properties determined eligible for the National Register
- State Register of Historic Places
- Wisconsin inventory of historic places
- Locally-designated historic property
- Local intensive survey--see attached list of community surveys  
(Give name and date \_\_\_\_\_)
- None of the above

III. PROJECT LOCATION AND MAPS

A. If the project is within an **incorporated** community, fill out this section:

\_\_\_\_\_  
\_\_\_\_\_

Location of Project \_\_\_\_\_  
(Village/City) (Town) (County)

Name of Project Map, if available: \_\_\_\_\_

[Note: If the project is within an incorporated area an accompanying City Map (such as a DOT map) is required for review.]

B. If the project is within an **unincorporated** area, fill out this section:

Township(s) \_\_\_\_\_ Range(s) \_\_\_\_\_ Section(s) \_\_\_\_\_

[Note: If the project is within an incorporated area a township map is acceptable, a 7.5" USGS Quad Map is most helpful, copies of quad maps (available from surveyor or planning offices) **must** include the map's name.]

IV. PHOTOGRAPHS

Please include clear 3 x 5 inch general photographs of each building 50 years or older and specific photos of areas in which work will be carried out. Photographs should be appropriately labeled (i.e., name of property, location of property, description of view, name of photographer and date photograph was taken.) All photographs must be keyed on the accompanying map.

[Note: Either black and whites or color photographs or Polaroids or colored copies are acceptable. Black and white photo copies are not acceptable. Photographs must be unobstructed, in focus and properly developed to be acceptable. Your project may be delayed if the photographs do not meet these requirements.]

ATTACHMENT III-6

ARCHEOLOGICAL REVIEW

(To be submitted for projects in which new construction or other ground disturbance is proposed)

Date: \_\_\_\_\_

County Where Project Located: \_\_\_\_\_ Age: \_\_\_\_\_

Project Address: \_\_\_\_\_

Owner/Consulting Firm Name: \_\_\_\_\_

Requesting Agency: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Please complete and return form to: Environmental Desk

Department of Administration  
Division of Energy Housing and Community Resources  
101 E. Wilson Street (53703)  
P. O. Box 7970  
Madison, WI 53707-7970  
[DOA EnvironmentalDesk@Wisconsin.gov](mailto:DOA_EnvironmentalDesk@Wisconsin.gov)

I. ADMINISTRATIVE DATA

Program Category Name \_\_\_\_\_

Subrecipient ID Number: \_\_\_\_\_ Contract # \_\_\_\_\_

Name(s) of Federal and/or State Agencies, licenses, permits involved in project: \_\_\_\_\_

Description of Project: Use the following procedure to describe the proposed project:

1. Project area in acres, square feet, etc.
2. Describe nature and amount of prior ground disturbance (beyond normal agricultural activity) which has taken place in the project area, if any, and date(s) of occurrence is known.
3. Submit current land use and past land use(s) if known.



## ATTACHMENT III-7

### Historical REVIEW REQUIREMENTS FOR ACTIVITIES OTHER THAN REHAB

#### Demolition

1. A grantee may proceed with the demolition of properties which have been formally determined by Bureau of Housing (DOA) as not eligible for listing on the Register, provided there will be no effect to other adjacent historic properties and/or districts.
2. Where demolition of a historic property is required to avoid or eliminate a significant public hazard as defined in Section 66.05, Wis. Stats., and/or a local ordinance, the DOA and the grantee will comply with the regulations outlined in 36 CFR Part 800.12 (b) and (c) pertaining to Emergency Undertakings.
3. Demolition of historic properties will be reviewed on a case-by-case basis by the DOA. When such a review is necessary, the DOA requires that the following documentation be provided to it as soon as the demolition is proposed:
  - a. A written description of the property.
  - b. The location of the property delineated on a land parcel or Land Use Quarter Section (LUQS) map.
  - c. The reasons for demolition (including adequate documentation of any building code violations) and an explanation as to why rehabilitation or preservation is neither prudent nor feasible.
  - d. Photographic evidence and a written description of the deteriorated condition of the building or structure to be demolished.
  - e. Photographs of each elevation and any significant architectural elements (interior and/or exterior) of the subject property.
4. The DOA will review the documentation within thirty (30) working days after receipt of adequate documentation and will concur or object in writing to the proposed demolition. An informational copy of concurrence or objection will be forwarded to the SHPO

#### Relocation

1. The relocation of historic properties will be reviewed by the DOA's staff on a case-by-case basis. The DOA requires that the following written documentation be submitted to initiate the consultation process:
  - a. The present location of the property delineated on a land parcel or Land Use Quarter Section (LUQS) map(s).
  - b. The location of the site proposed for relocation delineated on a land parcel or Land Use Quarter Section (LUQS) map(s).
  - c. Written description of the proposed site to which the property will be moved.
  - d. The reasons for the relocation.
  - e. An analysis of the various alternatives considered and why they are considered neither prudent not feasible.
  - f. Photographs of the property in question that adequately illustrate the character and integrity of the subject property and its immediate setting.

2. The DOA will review the documentation within thirty (30) calendar days of receipt of adequate documentation and shall concur or object in writing to the proposed relocation. An informational copy will be forwarded to the SHPO

#### New Construction

1. Design proposals for new construction either adjacent to a historic property or within a historic district shall be developed in conformance with the recommended approaches for new construction as contained within the Standards. To ensure compliance with the Standards, plans for new construction will be developed in consultation with the DOA. Final plans, drawings, and specifications will be submitted to DOA for review and comment at least two months prior to the initiation of construction activities.

#### Capital Improvements

1. Activities such as sewer system repair/replacement, road improvements, curb and gutter replacement, and landscaping which are proposed for areas **outside** of Historic Districts already listed on the Register or Register-eligible Historic Districts or are not adjacent to properties listed or eligible for listing on the Register may proceed after consultation with DOA.
2. The above-mentioned capital improvements which involve historic properties but provide for replacement in-kind may proceed after review by DOA.
3. Documentation for projects involving historic properties that are not replacement in-kind shall be reviewed prior to project implementation by the DOA pursuant to 36 CFR 800.5 to ensure conformance with the recommended approaches in the Standards.

#### Archeology

1. Prior to any **new** ground-disturbing activities, the DOA shall determine the potential existence of any significant archaeological resources. The grantee shall send the DOA the following to initiate the consultation process:
  - a. A map locating the proposed activity.
  - b. The following information on the new ground disturbance in the project area:
    - 1) the nature and date of the disturbance
    - 2) map indicating depth and location of disturbance
2. If DOA determines in writing within thirty (30) days that the potential for significant archaeological resources exists, the grantee will carry out an archaeological survey of the affected area in consultation with DOA. Archaeological testing, as deemed appropriate, will be undertaken by the grantee. DOA will conduct an evaluation to determine if properties identified during the survey meet Register criteria (36 CFR 60.6).
3. If archaeological resources are found that the DOA determines meet Register criteria, they will be avoided or preserved in place, whenever feasible. When it is not feasible to preserve a resource in place, the SHPO will be

consulted and a treatment consistent with the Council's Handbook Treatment of Archaeological Properties (and its subsequent revisions) and approved by the SHPO will be developed and implemented. The DOA will ensure that all identification and testing efforts will be conducted in accordance with the Secretary of the Interior's Standards and Guidelines for Identification (48 FR 44716) and appropriate internal guidance and regulations from SHPO.



**ATTACHMENT III-8**

**NATIONAL WILD AND SCENIC RIVERS SYSTEM COMPONENTS – WISCONSIN**

River Name	County(s)	Segment Reach Description
Lower St. Croix River	Polk St. Croix Pierce	From dam at Taylor Falls, MN, downstream to confluence with Mississippi River.
Upper St. Croix and Namekagon Rivers	Polk Burnett Douglas Washburn Bayfield	St. Croix from Taylor Falls, MN, to the dam at Gordon, WI; Namekagon from its confluence with the St. Croix to the dam at Namekagon Lake.
Wolf River	Menomoniee	From the Langlade-Menomoniee County line downstream to Keshena Falls near the Village of Keshena.

RIVERS IN WISCONSIN WITH POTENTIAL FOR INCLUSION IN THE  
NATIONAL WILD AND SCENIC RIVERS INVENTORY

River Name	County(s)	Segment Reach Description
Bad	Ashland	From Town of Mellen to mouth.
Black	La Crosse Jackson	From confluence with Mississippi River (above Lake Onalaska) to Black River Falls dam.
Black, East Fork	Jackson Wood Clark	Mouth to source.

River Name	County(s)	Segment Reach Description
Bois Brule	Douglas	Mouth to campground at County road south.
Chippewa	Pepin Dunn	From its confluence with Mississippi River to Eau Claire-Dunn County line.
Chippewa	Rusk Sawyer	Holcombe Flowage to dam at Radisson.
Chippewa, East Fork	Iron	From Sturgeon Bay at upper end of Blaisdell Lake to bridge crossing in Sec. 13 of Glidden.
Chippewa, East Fork	Iron	Glidden to source.
Clam	Burnett Polk	Clam River flowage to Clam Falls flowage.
Crystal	Waupaca	Long Lake to Waupaca.
Des Plains	Kenosha	Wisconsin-Illinois state line to source.
Flambeau	Rusk Price Sawyer	Big Falls Reservoir to Crowley dam.
Flambeau, South Fork	Sawyer Rusk Price	Confluence with Flambeau to SR 13 south of Park Falls; Three Mile Creek to Round Lake.
Fox	Outagamie Brown	Kaukauna to De Pere.

River Name	County(s)	Segment Reach Description
Fox	Kenosha	Wilmot to Waterford dam.
	Racine Waukesha	Waterford to Waukesha.
Jump, including North Fork	Chippewa Price Rusk Taylor	From Holcombe flowage to Spring Creek flowage.
Jump, South Fork	Price	Confluence with Jump River to SR 13 at Prentice.
Kickapoo	Crawford Richland Vernon	Confluence with Wisconsin River to Ontario.
La Crosse	La Crosse	Mouth to Perch Lake dam.
Marengo	Ashland	Confluence with Bad River to Town of Marengo.
Mecan	Marquette Waushara	From backwaters of impoundment at Germania to Richford.
Milwaukee	Milwaukee Ozaukee Washington Fond du Lac	Thiensville to Grafton.
		Waubeka to West Bend.
		Young America to Campbellsport.
		Campbellsport to Eden.
Nemaji	Douglas	From drive-in theater south of Superior village to Wisconsin-Minnesota state line.

River Name	County(s)	Segment Reach Description
Oconto	Oconto	Underhill to confluence with Peshtigo Brook.
Peshtigo	Marinette Forest	Backwaters of Caldron Falls Reservoir to source.
Pike, including south branch	Marinette	Mouth to Brock pond dam.
Pike River north branch	Marinette	Mouth to township road 1/2 mile downstream of U.S. 8.
Pine River	Florence Forest	From backwaters of Pine River dam to source.
Plover	Portage Marathon	Stevens Point to Bevent.
Popple	Florence Forest	Mouth to source.
Potato River	Iron	Confluence with Bad River to Town of Upson.
Somo River	Lincoln	Lake Mohawksin to junction of Big Somo and Little Somo creeks at Clifford.
Thornapple	Rusk Sawyer	Mouth to source (except part within Chequamegon National Forest).
Totagetic	Douglas Sawyer Washburn	From Minong flowage (formerly Lake Nancy) to Nelson Lake.

River Name	County(s)	Segment Reach Description
White	Ashland Bayfield	From impoundment at SR 112 crossing to source.
Wisconsin	Marathon Lincoln	Merrill to Wausau. Wausau to Marathon County line south.
Wolf	Outagamie Waupaca Shawano	County Road P two miles north of Shioclin to Shawano.
Yellow	Juneau Wood	From Necedah Bluff to Spillway at Lake Baxter.

ATTACHMENT III-9

Residential Units Located Within A Runway Clear Zone

<u>General Mitchell Field</u>	<u>Community</u>	<u>Zip Code</u>
5365 South Pennsylvania Avenue	Cudahy	53110
5377 South Pennsylvania Avenue	Cudahy	53110
5401 South Pennsylvania Avenue	Cudahy	53110
5411 South Pennsylvania Avenue	Cudahy	53110
 <u>Eau Claire County Airport</u>		
2011 North North Lane	Eau Claire	54701
2017 North North Lane	Eau Claire	54701
2023 North North Lane	Eau Claire	54701
 <u>Manitowoc Municipal Airport</u>		
2301 Menasha Avenue	Manitowoc	54220
2302 Menasha Avenue	Manitowoc	54220
1532 - 23rd Street	Manitowoc	54220
2141 Richmond Avenue	Manitowoc	54220
2201 Richmond Avenue	Manitowoc	54220
2204 Richmond Avenue	Manitowoc	54220
2207 Richmond Avenue	Manitowoc	54220
2210 Richmond Avenue	Manitowoc	54220
2215 Richmond Avenue	Manitowoc	54220
2216 Richmond Avenue	Manitowoc	54220
2223 Richmond Avenue	Manitowoc	54220
2224 Richmond Avenue	Manitowoc	54220
2228 Richmond Avenue	Manitowoc	54220

2233 Richmond Avenue	Manitowoc	54220
2234 Richmond Avenue	Manitowoc	54220
2238 Richmond Avenue	Manitowoc	54220
2244 Richmond Avenue	Manitowoc	54220
2250 Richmond Avenue	Manitowoc	54220
2259 Richmond Avenue	Manitowoc	54220
2260 Richmond Avenue	Manitowoc	54220
2204 Lexington Avenue	Manitowoc	54220
2210 Lexington Avenue	Manitowoc	54220
2215 Lexington Avenue	Manitowoc	54220
2216 Lexington Avenue	Manitowoc	54220
2221 Lexington Avenue	Manitowoc	54220
2222 Lexington Avenue	Manitowoc	54220
2225 Lexington Avenue	Manitowoc	54220
2226 Lexington Avenue	Manitowoc	54220

Rock County Airport

2751 Happy Hollow Road	Janesville	53545
2801 Happy Hollow Road	Janesville	53545

Wittman Field

171- 23rd Street	Oshkosh	54901
149 - 24th Street (Bethany Park Village)	Oshkosh	54901
172 - 25th Street	Oshkosh	54901
166 - 25th Street	Oshkosh	54901
172 - 25th Street	Oshkosh	54901
173 - 25th Street	Oshkosh	54901
176 - 25th Street	Oshkosh	54901
182 - 25th Street	Oshkosh	54901
183 - 25th Street	Oshkosh	54901

<u>Witmann Field (cont).</u>	<u>Community</u>	<u>Zip Code</u>
2312 Oregon Street	Oshkosh	54901
2316 Oregon Street	Oshkosh	54901
2505 Oregon Street	Oshkosh	54901
2511 Oregon Street	Oshkosh	54901
2515 Oregon Street	Oshkosh	54901
2516 Oregon Street	Oshkosh	54901
2519 Oregon Street	Oshkosh	54901
2523 Oregon Street	Oshkosh	54901
2524 Oregon Street	Oshkosh	54901

La Crosse County Airport

202 Fanta Reed Road	La Crosse	54601
206 Fanta Reed Road	La Crosse	54601
2542 - 1st Avenue West	La Crosse	54601
2546 - 1st Avenue West	La Crosse	54601
2550 - 1st Avenue West	La Crosse	54601
2554 - 1st Avenue West	La Crosse	54601
2558 - 1st Avenue West	La Crosse	54601
2548 - 1st Avenue East	La Crosse	54601
2553 - 1st Avenue East	La Crosse	54601
2556 - 1st Avenue East	La Crosse	54601
2560 - 1st Avenue East	La Crosse	54601
2541 North Bainbridge Street	La Crosse	54601
2544 North Bainbridge Street	La Crosse	54601
2545 North Bainbridge Street	La Crosse	54601
2548 North Bainbridge Street	La Crosse	54601



2549 North Bainbridge Street	La Crosse	54601
2552 North Bainbridge Street	La Crosse	54601
2555 North Bainbridge Street	La Crosse	54601
2556 North Bainbridge Street	La Crosse	54601
2559 North Bainbridge Street	La Crosse	54601

2544 - 2nd Avenue East	La Crosse	54601
2548 - 2nd Avenue East	La Crosse	54601
2549 - 2nd Avenue East	La Crosse	54601
2552 - 2nd Avenue East	La Crosse	54601
2553 - 2nd Avenue East	La Crosse	54601
2556 - 2nd Avenue East	La Crosse	54601
2557 - 2nd Avenue East	La Crosse	54601
2560 - 2nd Avenue East	La Crosse	54601
2561 - 2nd Avenue East	La Crosse	54601

Alexander Field

4051 Sampson Street	Town of Grand Rapids (Near Wisconsin Rapids)	54481
431 North Brentwood Drive	Town of Grand Rapids (Near Wisconsin Rapids)	54481

Hayward Airport

Mr. Mel Friske, Route 1	Hayward	54843
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NOTICE TO PROSPECTIVE BUYERS OF PROPERTIES LOCATED IN  
RUNWAY CLEAR ZONES AND CLEAR ZONES

*In accordance with Section 51.303 (a)(3), this notice must be given to anyone interested either in buying an existing HUD property, or using HUD assistance to buy an existing property, which is located in either a Runway Clear Zone at a civil airport or a Clear Zone at a military installation. This includes any of the properties found on the two previous pages.*

The property which you are interested in purchasing at (to be filled in by Grantee) \_\_\_\_\_  
\_\_\_\_\_ is located in the Runway Clear Zone/Clear Zone for (to be filled in by Grantee)  
\_\_\_\_\_

Studies have shown that if an accident were to occur it is more likely to occur within the Runway Clear Zone/Clear Zone than in other areas around the airport/airfield. Please note that we are not discussing the chances that an accident will occur, only where one is most likely to occur.

You should also be aware that the airport/airfield operator may wish to purchase the property at some point in the future as part of a clear zone acquisition program. Such programs have been underway for many years at airports and airfields across the country. We cannot predict if or when this might happen since it is a function of many factors, particularly the availability of funds, but it is a possibility.

We wanted to bring this information to your attention. Your signature on the space below indicates that you are now aware that the property you are interested in is located in a Runway Clear Zone/Clear Zone.

\_\_\_\_\_ (Signature of Prospective Buyer)  
\_\_\_\_\_ (Type or Print Name of Prospective Buyer)  
\_\_\_\_\_ (Date)

(This notice must be maintained as part of the HUD file on this action.)

**NOTE:** This is a sample letter format. Grantees must re-type on their letterhead.

**ATTACHMENT III-10**

**Federally Listed Threatened and Endangered Species in Wisconsin**

(Updated May 28, 1999)

**Listed Species**

(E) Endangered (T) Threatened (PS) Potential Breeding  
(W) Wintering (B) Breeding (H) Historic records, but no known extant sites

County	Species	Habitat
Adams	bald eagle (BE) peregrine falcon (PF) Karner blue butterfly	Breeding & Wintering (B & W) Potential Breeding (PB) prairie, oak savanna, and jack pine areas with wild lupine
Ashland	BE piping plover  gray wolf	B sandy beaches; bare alluvial and dredge spoil islands northern forested area
Barron	BE Karner blue butterfly (H)	B prairie, oak savanna, and jack pine areas with wild lupine
Bayfield	BE gray wolf Fassett's locoweed	B northern forested areas open sandy lakeshores
Brown	BE PF dwarf lake iris	B & W B partially shaded sandy-gravelly soils on lakeshores
Buffalo	BE PF Higgins' eye pearly mussel	B & W B Mississippi River
Burnett	BE gray wolf Karner blue butterfly	B northern forested areas prairie, oak savanna, and jack pine areas with wild lupine
Calumet	BE	W
Chippewa	BE	B
Clark	BE Gray wolf Karner blue butterfly	B Northern forested areas prairie, oak savanna, and jack pine areas with wild lupine
Columbia	BE PF	W PB
Crawford	BE PF Higgins' eye pearly mussel	B & W PB Lower Wisc. & Mississippi Rivers

Federally Listed Threatened and Endangered Species in Wisconsin

County	Species	Habitat
Dane	BE PF prairie bush-clover  eastern prairie fringed orchid	W B dry to mesic prairies, with gravelly soil wet grasslands
Dodge	BE	B
Door	BE PF Pitcher's thistle dwarf lake iris  Hine's emerald dragonfly	B PB stabilized dunes & blowout areas partially shaded sandy-gravelly soils on lakeshores calcareous streams & associated wetlands overlying dolomite bedrock
Douglas	BE gray wolf Kirtland's warbler <sup>1</sup>  piping plover	B northern forested areas potential breeding in jack pine, sandy beaches; bare alluvial and dredge spoil islands
Dunn	BE Karner blue butterfly	B prairie, oak savanna, and jack pine areas with wild lupine
Eau Claire	BE Karner blue butterfly Gray wolf	B & W prairie, oak savanna, and jack pine areas with wild lupine northern forested areas
Florence	BE gray wolf	B northern forested areas
Forest	BE gray wolf	B northern forested areas
Grant	BE PF northern monkshood Higgins' eye pearly mussel prairie bush-clover	B & W PB north facing slopes lower Wisc a& Mississippi Rivers dry to mesic prairies, with gravelly soil
Green	eastern prairie fringed orchid	wet grasslands
Green Lake	BE  Karner blue butterfly	B  prairie, oak savanna, and jack pine areas with wild lupine

## Federally Listed Threatened and Endangered Species in Wisconsin

County	Species	Habitat
Iowa	BE PF Higgins' eye pearly mussel	B & W PB Lower Wisconsin River
Iron	BE gray wolf	B northern forested areas
Jackson	BE Kirtland's warbler <sup>1</sup> Karner blue butterfly  Gray wolf	B potential breeding in jack pines prairie, oak savanna, and jack pine areas with wild lupine northern forested areas
Jefferson	eastern prairie fringed orchid	wet grasslands
Juneau	BE PF Karner blue butterfly Gray wolf	B & W PB prairie, oak savanna, and jack pine areas with wild lupine
Kenosha	PF eastern prairie fringed orchid	B wet grasslands
La Crosse	BE PF Higgins' eye pearly mussel	B & W B Mississippi River
Langlade	BE	B
Lincoln	BE gray wolf	B northern forested areas
Manitowoc	PF Pitcher's thistle	B stabilized dunes and blowout areas
Marathon	BE	B
Marinette	BE Kirkland's warbler <sup>1</sup>	B Potential breeding in jack pine
Marquette	Karner blue butterfly	Prairie, oak savanna, and jack pine areas with wild lupine
Menominee	BE Karner blue butterfly	B prairie, oak savanna, and jack pine areas with wild lupine
Milwaukee	PF	B
Monroe	northern monkshood Karner blue butterfly  Gray wolf	north facing slopes prairie, oak savanna, and jack pine areas with wild lupine northern forested areas

**Federally Listed Threatened and Endangered Species in Wisconsin**

<b>County</b>	<b>Species</b>	<b>Habitat</b>
Oconto	BE Karner blue butterfly	B prairie, oak savanna, and jack pine areas with wild lupine
Oneida	BE gray wolf	B northern forested areas
Outagamie	BE Karner blue butterfly	B & W prairie, oak savanna, and jack pine areas with wild lupine
Ozaukee	eastern prairie fringed orchid PF	wet grasslands PB
Pepin	BE PF	B & W PB
Pierce	BE PF prairie bush-clover Higgins' eye pearly mussel	B & w PB dry to mesic prairies, with gravelly soil Mississippi & St. Croix Rivers
Polk	BE PF gray wolf winged mapleleaf mussel Higgins' eye pearly mussel Karner blue butterfly (H)	B & W PB northern forested areas St. Croix River St. Croix River prairie, oak savanna, and jack pine areas with wild lupine
Portage	BE Fassett's locoweed Karner blue butterfly	B open sandy lakeshores prairie, oak savanna, and jack pine areas with wild lupine
Price	BE gray wolf	B northern forested areas
Racine	PF eastern prairie fringed orchid	PB wet grasslands
Richland	BE PF northern monkshood Higgins' eye pearly mussel	B PB north facing slopes lower Wisconsin River
Rock	prairie bus-clover eastern prairie fringed orchid	dry to mesic prairies with gravelly soil wet grasslands

**Federally Listed Threatened and Endangered Species in Wisconsin**

<b>County</b>	<b>Species</b>	<b>Habitat</b>
Rusk	BE gray wolf	B northern forested areas
St. Croix	BE PF Higgins' eye pearly mussel Karner blue butterfly (H)	B & W PB St. Croix River prairie, oak savanna, and jack pine areas with wild lupine
Sauk	BE PF northern monkshood prairie bush-clover Karner blue butterfly	B & W PB north facing slopes dry to mesic prairies with gravelly soil prairie, oak savanna, and jack pine areas with wild lupine
Sawyer	gray wolf BE	B northern forested areas
Shawano	BE Karner blue butterfly	B & W prairie, oak savanna, and jack pine areas with wild lupine
Sheboygan	PF Pitcher's thistle eastern prairie fringed orchid	B stabilized dunes, and blowout areas wet grasslands
Taylor	BE gray wolf	B northern forested areas
Trempealeau	BE PF Higgins' eye pearly mussel	W PB Mississippi River
Vernon	BE PF northern monkshood Higgins' eye pearly mussel	B & W PB north facing slopes Mississippi River
Vilas	BE gray wolf Kirtlan's warbler <sup>1</sup>	B northern forested areas potential breeding in jack pine
Walworth	eastern prairie fringed orchid	wet grasslands
Washburn	BE gray wolf Kirtland's warbler <sup>1</sup>	B northern forested areas potential breeding in jack pine
Waukesha	eastern prairie fringed orchid	wet grasslands

**Federally Listed Threatened and Endangered Species in Wisconsin**

<b>County</b>	<b>Species</b>	<b>Habitat</b>
Waupaca	Be Karner blue butterfly	B & W prairie, oak savanna, and jack pine areas with wild lupine
Waushara	BE Fassett's locoweed Karner blue butterfly	B open sandy lakeshores prairies, oak savanna, and jack pine areas, with wild lupine
Winnebago	BE eastern prairie fringed orchid	B & W wet grasslands
Wood	BE Karner blue butterfly Gray wolf	B prairie, oak savanna, and jack pine areas with wild lupine northern forested areas

<sup>1</sup> Kirtland's warblers are not known to nest in Wisconsin. Singing males only were present in 1978, 1979, 1980, 1988, 1989, 1990, 1991 and 1992.

**Listed Species**

**E** = endangered      **T** = threatened      **B** = breeding      **W** = wintering  
**PB** = potential breeding      **PT** = proposed threatened

T	bald eagle	haliaeetus leucocephalus
E	peregrine falcon	falco peregrinus
E	Kirtland's warbler	dendrocica kirtlandii
E	pipit plover	charadrius melodus
E	gray wolf	canis lupus
E	Karner blue butterfly	lycaeides melissa samuelis
E	Higgins' eye pearly mussel	lampsilis higginsii
E	winged mapleleaf mussel	quadrula fragosa
T	northern monkshood	aconitum noveboracense
T	prairie bush-clover	lespedeza leptostachya
T	Pitcher's thistle	cirsium pitcheri
T	Fassett's locoweed	oxytropis campestris var. chartaceae
T	dwarf lake iris	iris lacustris
T	eastern prairie fringed orchid	platanthera leucohaea
E	Hine's emerald dragonfly	somatochlora hineana
PT	Canada lynx	lynx canadensis



**SECTION IV. HOME HHR GENERAL ADMINISTRATIVE REQUIREMENTS**

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## A. Background

Acceptance of HOME funds obligates grantees to ensure that HOME monies are used in accordance with all applicable requirements. This chapter will discuss eligible program administrative costs, activity soft costs, program income and CHDO proceeds.

## B. Eligible Administrative and Planning Costs

The HOME allocation received by DOA includes funds that may be used for reasonable administrative costs. Current contracts allow up to 11% of the grant award to be used for administrative purposes. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence. Administrative costs may be incurred for operational expenses during the performance period of the contract. The HOME Final Rule allows for some flexibility in the allocation of costs as administrative or activity-related soft costs. The HOME Final Rule defines administrative costs and activity-related soft costs in the HOME Program at 24 CFR Part 92.206(c).

### **General Management, Oversight, and Coordination:**

These costs are always categorized as administrative costs. By accepting HOME funds, a grantee assumes the responsibility for meeting all HOME requirements over time.

- Staff salaries, wages and other costs related to executing HOME activities such as program coordination, management and evaluation and travel costs.

There are two alternatives for determining the amount of staff costs to charge. Grantees must choose one and use it consistently for the duration of the grant.

1. Include the entire salary, wages and related costs of each person whose primary responsibility involves program administration assignments. Under this scenario if a staff member spends 90% of his/her time on HOME Program management, oversight, and coordination, the entire salary could be charged to HOME administration. However, if only 30% of his/her time is spent on HOME Program management none of the time could be charged to HOME.
2. Determine the pro rata share of salary, wages, and related costs of each person whose job includes any HOME program administration assignments for each person. Under this scenario 75% of one person's time and 30% of another person's time could be charged to HOME Program administrative costs.

- Administrative services under third party agreements (e.g., consultant, legal services).
- Providing public information to local officials, citizen organizations, and the general public about the HOME Program.
- Fair housing activities.
- Indirect costs such as office rent, utilities, and maintenance. These may only be charged to the HOME Program under an agency cost allocation plan.

- Costs of complying with the Federal requirements listed in subpart H of the HOME Final Rule are eligible administrative costs. These include environmental review, relocation assistance (advisory services) for displaced persons.
- Processing of applications for HOME Homebuyer and/or HOME Rehabilitation and Accessibility assistance.
- Costs of a program audit.

### **C. Activity-Related Soft Costs**

Costs related to the development or financing of HOME-assisted housing are related soft costs of an activity and are eligible under the HOME program, as outlined in §92.206(d). The costs must be “reasonable and necessary costs incurred by the owner (or grantee) and associated with the financing, or development (or both) of new construction, rehabilitation or acquisition of housing assisted with HOME funds.” In addition, the contract between the Grantee and the Department contains allowable cost requirements. In the event of conflict between the language specified in a grantee’s contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

- Architectural, engineering or related professional services required to prepare plans, drawings, or specifications of an activity.
- Construction management fees and building permits.
- Costs to finance an activity such as private lender origination fees, loan servicing and processing fees, credit reports, fees for title evidence, recording fees and filing of legal documents, and underwriting fees.
- Impact fees that are charged for all activities within a jurisdiction.
- Relocation payments, including replacement housing payments for moving expenses and payments for the reimbursement of reasonable out-of-pocket expenses incurred in connection with temporary relocation.

Charges categorized as activity soft costs must be supported with documentation. Documentation must be included in the activity file:

- Consultant charges may be either hourly or per-unit. The contract between the grantee and consultant should state the amount and method of compensation. The billing should show hours worked/units completed for each activity; and
- Staff charges based on hourly rate will need to be documented with timesheets. Timesheets should be signed by the employee and authorized by the supervisor with times and dates.

**NOTE:** Soft costs cannot exceed 15% per activity and they do not count against the amount allowed for general administrative costs.

#### **D. Administrative or Activity-Related Soft Costs**

Certain costs may be charged as either administrative or as activity-related soft costs. Choose either the Administrative or Activity budget line and consistently charge the following activities to that budget line for the term of the grant. In addition, the contract between the Grantee and the Department contains other cost requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

- Homebuyer or tenant counseling is an eligible activity-related cost. However, staff and overhead costs, and other services related to assisting potential owners, tenants, and homebuyers may be charged as activity-related soft costs only if the activity is funded and the individual becomes the owner or tenant of the HOME-assisted activity specified under 92.206(d)(6).
- Staff and overhead costs incurred by the Grantee or third-party contractor that are directly related to carrying out specific HOME activities, including: initial, interim, and final HQS inspections; lead risk assessments and clearance testing; and preparation of work specifications.
- Appraisals.

**NOTE:** If the salary for the person undertaking these duties is included under administrative costs, a charge may not also be made under activity-related soft costs.

Charging costs to a specific activity has several implications as defined below:

- Activity costs count in the maximum per-unit subsidy limit calculation;
- Administrative costs charged to the project should not be included in the loan to the project owner; Activity costs trigger 25 percent match; and
- If the activity does not go forward, project costs must be charged as administrative costs.

#### **E. Non-Allowable Activity Soft Costs**

- Insurance against defects. Costs of insurance with respect to any costs incurred to correct defects in the organization's materials or workmanship are unallowable. [OMB Circular A-122 "Cost Principles for Non-Profit Organizations" subparagraph 22a(2)f]
- Activity-related soft costs incurred by a property owner are considered activity-specific and cannot be charged as administrative costs.
- Application fees to activity owners are not an eligible HOME Homebuyer cost.
- Fees based on percentage of assistance.
- Fees charged to a project for ongoing project monitoring and compliance reviews.
- Fees for origination or loan servicing.

## **F. Project Soft Costs Charged to Client (Property Owner)**

The following are project fees that CANNOT be charged to the client (included in the loan):

- Construction management fees including HQS inspections, preparing work specifications, bidding and working with contractors, lead risk assessment and clearance testing, etc.;
- Loan servicing fees for collecting and recording payments;
- Loan processing fees including reviewing the application, verifying employment and wages; and
- Underwriting fees.

These fees are eligible project soft costs but must be a grant to the client or charged to the general administrative costs.

Fees that CAN be charged to the client include:

- Credit report and appraisal; and
- Housing counseling (must document the bases for this fee).

## **G. Program Income**

Program Income (PI) means gross income received by the subrecipient/grantee that is directly generated from the use of HOME funds and matching contributions. When PI is generated by housing that is only partially assisted with HOME funds or matching funds, the income shall be prorated to reflect the percentage of HOME funds or match used (24 CFR 92.2 Definitions).

Program Income includes, but is not limited to:

- Proceeds from the sale or long-term lease of real property acquired, rehabilitated or constructed with HOME funds or matching contributions;
- Gross income from the use or rental of real property owned by the subrecipient that was acquired, rehabilitated or constructed with HOME funds or matching contributions, minus the costs incidental to generating of that income;
- Payments of principal and interest on loans made with HOME or matching funds;
- Proceeds from the sale of loans or obligations secured by loans made with HOME or matching contributions;
- Income generated by an activity, which is funded with program income;
- Interest on program income pending its disposition; and
- Any other interest or return on the investment permitted under 92.205(b) of HOME and matching funds. This does not include recaptured funds, repayments or CHDO proceeds.

## Recaptured Funds

Recaptured funds are HOME funds which are recouped by the grantee when an assisted homebuyer property is sold (does not continue to be the principal residence of the assisted homebuyer) within the affordability period required by 24 CFR 92.254(a)(4).

- Recaptured funds are a return of original HOME investment and are technically not PI. Therefore, unlike PI, 10% of recaptured funds cannot be used for administrative costs (HUD Notice: CPD 97-09, Part IV Recaptured Funds).

## Program Income and Consortiums

Program Income derived from consortium activities is PI of the consortium. The Consortium Agreement may permit a member to retain PI for other HOME activities within that member's boundaries. However, the member must use its PI before additional HOME funds are drawn down for use within its boundaries. In accordance with 24 CFR 92.503(a)(3), any PI on hand when a consortium member terminates its participation in the consortium, as well as any future PI (accounts receivable) is PI of the remaining consortium and may not be retained by the former consortium member.

## General Requirements

- All HOME Program Income must be used in accordance with the HOME program rules.
- Program Income must be expended before additional HOME funds are requested. [HOME Final Rule 24 CFR 92.504 (c)(1(viii))].
- All grantees must maintain records which adequately identify the source and application of their HOME funds (including PI and CHDO proceeds) as part of the financial transactions of their home program, consistent with generally accepted accounting principles and the requirements of 24 CFR part 85.20.
- Subrecipients are not required to identify PI by program funding year. However, they must be able to identify which activities generated PI and which activities received PI, including the amount. Thus, the subrecipient's financial management system should track PI receivable (such as the amount and date of principal and interest due on a HOME loan).

## H. Community Housing Development Organization (CHDO) Proceeds

- Activity proceeds received by CHDOs may be considered PI. Specific use of funds will be specified in the CHDO written agreement/contract. The contract will specify whether use of funds will be limited to activities listed in the contract, other HOME-eligible activities or other housing activities that benefit low-income families.

**NOTE:** DOA retains the right to have a flexible policy on the use of proceeds that differs from CHDO to CHDO or even from activity to activity.

- Proceeds which the CHDO is permitted to retain are not HOME PI and, therefore, are not subject to the HOME requirements, except as described below:
  - The CHDO proceeds retained by the CHDO must be used for HOME-eligible or other housing activities to benefit low-income families, as required by 24 CFR 92.300(a)(2). Examples of "other housing activities"

include: emergency repairs, activity operating costs and reserves, housing refinancing costs, CHDO operating expenses and homebuyer counselling;

- CHDO proceeds retained by a CHDO are not subject to the requirements of the HOME regulations, except for 24 CFR 92.300(a)(2). Proceeds are not subject to the Davis-Bacon Act, National Environmental Policies Act and Uniform Relocation Assistance and real Property Acquisition Policies Act; and
  - Because CHDO proceeds are derived from the expenditure of HOME funds, any activities that are funded with CHDO proceeds may not be contributed as match.
- If a CHDO is functioning in the capacity of a subrecipient, any funds generated from HOME-assisted activity are PI and not CHDO proceeds. Therefore, such funds are subject to the HOME requirements pertaining to PI.
- CHDO proceeds do not include funds that are recouped because the assisted homeownership housing does not continue to be the principal residence of the assisted homebuyer for the affordability period, as required by 24 CFR 92.503(c) Ownership Interest.
- In addition, the contract between the Grantee and the Department contains CHDO requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

**SECTION V. HOME HHR FINANCIAL MANAGEMENT**

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## A. INTRODUCTION

The HOME Homebuyer & Rehabilitation program utilizes forms for activity set-up, activity completion, and payment request that reflect the information that must be entered into the federal cash management system. In addition, DOA utilizes a waiver request to assist in managing activity cost as well as a certificate of completion to finalize and close out the grant agreement. In addition, the contract between the Grantee and the Department contains other financial management requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## B. ACTIVITY SET-UP

One activity set-up report must be submitted for each activity that will be assisted with HOME dollars. Each household or address will be assigned an individual activity number by HUD and the Department of Administration tracks all activities by this designated activity number, not by the homeowner's name or address. See Attachment V-1 for a copy of the Activity Set-Up Report form.

The set-up form shows that the environmental review has been completed, or that certain activities are exempt from review, and the amount of HOME contract dollars anticipated to complete this activity and the amount of other funds that will be utilized for the activity—with a break-out of the funds being spent on lead.

The form also provides specific information about the activity, homeowner or buyer and location of the house. Each activity set-up or revision must be submitted with a signature and date. The activity type reflects how the contract HOME funds will be used and not the type of project. For example, if contract HOME funds are used only for down-payment assistance then the activity type is "Acquisition Only" even if a new home is being constructed.

*If unanticipated costs are encountered during the activity, you must submit a "Revision Set-up" requesting additional dollars for the activity. If there are sufficient dollars in the contract, the revision will be approved and additional funds may be drawn at this time. Do not send in a revision to decrease the amount of Program Income and increase HOME contract dollars. Program Income must be used before contract dollars or this is a violation of the HOME rule.*

A revision is NOT required when actual costs are less than the original set-up amount. The completion report contains the final costs and submission of a completion report releases the funds to be used toward another activity under the contract.

Activity Set-up reports must be submitted to program staff along with the signed and dated written agreement between the homebuyer/homeowner and the grantee via email. The activity must be set up in IDIS following the execution of the written agreement and the date must be the same as, or prior to, the commitment date in IDIS per 24 CFR 92.502(b).

The date entered into IDIS for commitment of funds is when the contract/written agreement is fully executed.

The program shared email box is at: [DOADOHHHRHCRI@wisconsin.gov](mailto:DOADOHHHRHCRI@wisconsin.gov).

### **C. WAIVER REQUEST**

A HOME Waiver Request is used when the estimated for an activity involving rehabilitation exceeds a minimum threshold determined by DOA. In addition, the contract between the Grantee and the Department contains waiver and amendment requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

Specifically, a waiver must be submitted for:

- Owner-occupied rehabilitation activities requiring \$50,000 or more in funding from HOME and/or other sources. Other sources do include HOME program income.
- Homebuyer activities requiring \$60,000 or more in funding for acquisition and rehabilitation from HOME and/or other sources. This does not pertain to new construction activities.

In addition, detailed project information must be submitted such as pictures and work specifications with cost estimates to help justify the need for HOME funds.

Waiver requests may be submitted to program staff via email or the shared program email box at:

[DOADOHHHRHCRI@wisconsin.gov](mailto:DOADOHHHRHCRI@wisconsin.gov).

### **D. REQUEST FOR PAYMENT**

The Request for Payment is used to request both activity and administrative funds. After payment is made by DOA, activity funds may be retained in the Grantee's account for no more than 15 days. See Attachment V-3 for a copy of the Request for Payment form. The payment spreadsheet will automatically track the contract balance, and the amount you have drawn from each activity. In addition, the contract between the Grantee and the Department contains request for payment requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

#### **Required Information**

Each request for payment must be completely filled out and submitted with a signature and date. In Part 1 fill in the activity number, request number, and contract number. Also indicate whether it's a request for contract administrative or activity dollars and the time period covered by the request.

In Part 2, indicate the contract activity balance, the amount you have drawn from each activity to date, the amount requested, and the remaining balance. Accurate information will help ensure timely processing of the request. Requests will NOT be processed until all payment information is correct.

Finally, please indicate whether the request is a progress or final payment in Part 3 for activity dollars or Part 4 for administrative dollars. If necessary, grantees can submit a completion report (described in Section E) along with an activity final payment request.

## Submittal process

DOA has a central email box for receipt of grantee payment requests. The shared email box will be available to all housing Fiscal Team members ensuring timely processing. The email address to submit payment requests and supporting documentation is: [DOADEHCRFiscal@wisconsin.gov](mailto:DOADEHCRFiscal@wisconsin.gov).

**NOTE: No payment requests will be processed after the contract period of performance.**

## E. ACTIVITY COMPLETION REPORT

The Homeowner Completion Report provides the Department of Administration and HUD with information on the use of HOME funds, program income, match and leverage dollars brought to each activity. A completion report is required for each individual homebuyer or homeowner rehabilitation activity and is due to DOA within 30 days after the final request for payment has been processed. See Attachment V-4 for a copy of the completion report.

The completion report must accompany the final payment request submission. Failure to submit the completion report will result in a denied request that will be returned for resubmission. In addition, the contract between the Grantee and the Department contains reporting requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

A HOME-eligible unit is defined as an affordable housing unit that **did not receive HOME contract funds** but complies with all applicable HOME regulations such as, but not limited to, HQS, resident income eligibility and period of affordability. For example, a project funded only with HOME program income would meet the definition; a unit funded with CDBG—another federal source—would not. In this instance, an activity completion report should be submitted to DOA to account for the activity and indicate program income (PI) within the activity number field.

Completion reports may be submitted to program staff via email, mail, or fax. The program shared email box is at: [DOADOHHHRHCRI@wisconsin.gov](mailto:DOADOHHHRHCRI@wisconsin.gov).

Activity beneficiary information must be entered into IDIS within 120 days of the final draw and should accurately reflect the data included in the written agreement and activity file per CFR 92,502(d)(1).

## HOMEOWNER/BUYER COMPLETION REPORT INSTRUCTIONS

The purpose of the Homeowner/buyer Completion Report is to summarize how HOME, private and public funds are used in an activity. This report is required at the completion of an activity. The information on this report will be used by Congress to gauge the progress of the HOME program in the State of Wisconsin and on a national level. The following explanations describe how to complete each section of the report:

### 1. ACTIVITY INFORMATION

**ACTIVITY#:**

Enter the five digit unique number assigned by HUD to this activity. (The activity number is assigned when the grantee submits the Activity Set-up Report to the Department of Administration.) Enter "PI" for program only activities.

**PROGRAM:**

HHR for the HOME Homebuyer and Housing Rehab.

**SUBMISSION DATE:**

Enter the date when all work for an activity has been completed and the Homeowner Completion Report is mailed to the Department of Administration.

**CONTRACT#:**

Enter the HOME contract number under which this activity is funded.

**ORIGINAL SUBMISSION:**

Check this box only if it is the first time a grantee is submitting a Homeowner Completion Report for this activity.

**REVISION:**

Check this box only if this is not an original submission and revisions were made to the Homeowner Completion Report.

**E-MAIL ADDRESS:**

Enter the e-mail address of the contact person. If two or more agencies are involved, enter the email address of the person who can answer questions about this activity.

**AGENCY NAME:**

Enter the name of the agency overseeing the activity. If more than one agency is involved, enter the name of the lead agency.

**AGENCY CONTACT:**

Enter the name of the primary person to contact regarding the Homeowner Completion Report. If more than one agency is involved; enter the name of the person who can answer questions about the activity.

**TELEPHONE #:**

Enter the phone number of the agency contact.

**EXT:**

Enter the extension number of the agency contact.

**TYPE OF ACTIVITY:**

Enter the number of the activity type for this activity.

1. Rehab Only:

Rehab only is the alteration, improvement and modification of an existing structure. Replacement housing is considered rehab.

2. New Construction Only:

New Construction only is new construction of a single family home.

3. Acquisition Only:

Acquisition only is down payment and closing cost assistance for the purchase of a single family home that does not require rehabilitation.

4. Acquisition & Rehab:

Acquisition and rehab is down payment and closing cost assistance for the purchase of a single family home, and funds for the rehabilitation of that home to meet HQS.

5. Acquisition & New Construction:

Down payment and closing cost toward the purchase and construction of a dwelling.

**ACCESSIBLE MODIFICATION:**

This is a HOME activity that funds accessibility modification improvements which are not extensive in scale. Accessibility modification improvements include the repair and/or the construction of elements that assist persons with handicaps to more fully and safely utilize their home.

Indicate whether or not this is an accessible activity.

**SECTION 504 ACCESSIBLE:**

This is a HOME activity where the complete unit meets uniform federal accessible standards. More extensive than accessible modification improvements, it generally entails making the entire unit accessible to assist persons with handicaps to more fully and safely utilize their home. Note: Section 504 Accessible does not apply to Single Family Rehab activities.

Indicate whether or not this is a section 504 accessible activity.

**FIRST-TIME HOMEBUYER:**

A first-time homebuyer is a homebuyer who has not owned a home for the last three years prior to this assisted purchase. Indicate whether or not this is a first-time homebuyer activity.

**LEASE PURCHASE:**

If this activity involves a lease purchase arrangement, enter the date the agreement was signed. Ownership of the unit must be conveyed to the homebuyer within 36 months of signing the lease purchase agreement.

**2. HOME CONTRACT FUNDS**

**REHAB OR DEVELOPMENT**

**DIRECT LOAN:**

Enter the HOME contract funds awarded to low-and moderate-income homeowners for rehabilitation, the interest rate and term of the loan.

**GRANT:**

Enter any HOME contract dollars given to the homeowner for the purpose rehabilitation of a single-family home that do not require repayment.

**DEFERRED PAYMENT LOAN:**

Enter the amount of HOME funds being provided for rehab as a DPL. Deferred payment loans (DPL) may be forgivable or payable over a period of time. Deferred payment loans can accrue interest or be non-interest bearing and the property is used as collateral.

**TOTAL HOME REHAB FUNDS:**

Enter the total costs from direct loan, grant and deferred payment loan, used for rehabilitation or development.

**RELOCATION COSTS:**

Enter all relocation payments associated with this activity. The Uniform Relocation and Real Property Acquisition Policies Act, also known as the Uniform Act, applies to all assisted properties. Both permanent and temporary relocation assistance are eligible costs. Information on temporary relocation can be found in Chapter XV.

**DOWNPAYMENT ASSISTANCE**

**DIRECT LOAN:**

Enter the HOME program funds awarded for down payment assistance.

**GRANT:**

Enter any HOME contract dollars given to the homeowner for the purpose of down payment assistance for a single-family home.

**DEFERRED PAYMENT LOAN:**

Enter the amount of HOME funds being provided for down payment assistance as a DPL.

**TOTAL HOME DOWNPAYMENT FUNDS:**

Enter the total costs from direct loan, grant and deferred payment loan used for down payment assistance.

**INITIAL PURCHASE PRICE:**

Enter the purchase price of the single-family home. You are required to give this amount for all homebuyer.

**AFTER REHAB VALUE:**

Enter the value of the single-family home after rehabilitation. You are required to give this amount for all rehabilitation activities. This amount is required for homebuyer activities where rehab is completed as part of the activity.

**HOME MORTGAGE LIMIT:**

Enter the maximum purchase price/after rehabilitation value for the county where the activity is located. The value of any homebuyer/homeowner occupied property may not exceed 95 percent of the median purchase price for that type of single-family housing for the area, as published by HUD. The HOME mortgage limit is the maximum purchase price or after rehabilitation value of a home based on Section 203 (b) of Single-Family Mortgage Limits. Section 203 (b) limits are determined by HUD's Office of Single-Family Housing. To view updated limits on-line, go to HUD website: [HOME Homeownership Value Limits - HUD Exchange](#)

**APPRAISED VALUE:**

Enter the estimated market value of a homebuyer property based on purchase appraisal.

**3. OTHER FEDERAL FUNDS**

(Provide information explaining the source and use of all non-HOME federal funds.)

**FEDERAL FUNDS:**

Enter contributions made with or derived from federal resources or funds. Some examples of federal funds are CDBG funds, Workforce Investment Act, FHA, Department of Energy (DOE) Weatherization Emergency Assistance Program (EAP) and Preservation Grants.

**USDA RURAL DEVELOPMENT:**

Enter the total amount dollar from a USDA Rural Development loan.

**TOTAL FEDERAL FUNDS:**

Enter the total of all non-HOME federal funds in this activity.

**4. STATE/LOCAL FUNDS**

Enter the amount of any state/local funds used in this activity. Provide information explaining the source and use of state and local funds.

**HOUSING TRUST FUNDS:**

Enter the amount of any housing trust funds used in this activity.

These are funds dedicated by municipalities for affordable housing, such as the City of Stevens Point's HOORA Program.

**STATE/LOCAL APPROPRIATED FUNDS:**

Enter the amount of any state or local appropriated funds used in this activity. These funds are appropriated by the State legislature to assist low- and moderate-income households with housing needs like foreclosure prevention, down payment and closing costs. Some examples of an appropriated funding source are HCRI, Focus on Energy and the Housing Organization and Direct Assistance Program (HODAP).

**STATE/LOCAL TAX EXEMPT BOND PROCEEDS:**

Enter the amount of any state or local exempt bonds proceeds used in this activity. These are loans made from State and local municipalities from affordable housing bond proceeds such as housing authority mortgage revenue bonds and WHEDA loan programs.

**TOTAL PUBLIC FUNDS:**

Enter the total of all State/Local funds used in this activity.

**5. PRIVATE FUNDS**

**LENDER NAME:**

Enter the name of the lender associated with this activity.

**MORTGAGE AMOUNT:**

Enter the mortgage amount associated with this activity.



**LOAN TYPE:**

Indicate whether the loan is fixed or variable. The interest rate of a fixed interest rate loan will not change during the life of the loan. The interest of a variable interest rate loan may change during the life of the loan.

**LOCK IN DATE:**

Enter the date when the interest rate was locked in.

A lock in-date is used to guarantee a specific interest rate, if the loan is closed within a specific time.

**INTEREST RATE:**

Enter the interest rate at which the homeowner received the loan.

**NO. OF YEARS:**

Enter the number of years for which the mortgage loan is written.

**PRIVATE LOAN AMOUNT:**

Enter the amount borrowed from a private lender to purchase, construct or rehabilitate this activity.

**OWNER CASH CONTRIBUTION:**

Enter funds provided by the homeowner toward the purchase, construction or rehabilitation of a single-family home. Owner cash contributions includes: earnest money, home inspection costs, appraisal fees, repair costs, and home insurance.

**FOUNDATION GRANTS:**

Enter the amount of foundation grant funds associated with this activity. Foundation grants are non-federal cash contributions from a third party. Examples of foundation grants are: credit from the lender, Federal Home Loan Bank (FHLB-AHP) down payment assistance.

**INDIVIDUAL DONATIONS:**

Enter any individual donations associated with this activity. Individual donations include monetary gifts from relatives or friends, credit from the seller for closing costs or other seller contributions, and charitable gifts from organizations like Goodwill and the United Way used towards the construction, purchase or rehabilitation of this activity.

**TOTAL PRIVATE FUNDS:**

Enter the total amount from private loan amount, owner cash contribution, foundation grants and individual donations.

**TOTAL ACTIVITY COSTS:**

Enter the sum of all total fields in Sections 2 through Section 5.

**6. SECTION 3 LABOR HOURS:**

Only applies to projects with over \$200,000 in HUD funds. Enter the labor hours from all workers. 5% must be from targeted Section 3 workers and 25% Section 3 workers. Then check the qualitative effort boxes that were done to obtain Section 3 workers. If the requirements weren't met, then the effort boxes will be used to meet the requirement.

**7. DONATIONS: (provide documentation)**

**SITE PREPARATION:**

Enter the dollar value of all site preparation work associated with this activity. Site preparation donated for construction or acquisition or rehabilitation of a HOME single family home. Some examples of site preparation are demolition work and grading.

**CONSTRUCTION MATERIALS:**

Enter the dollar value of donated construction material used in the construction or rehabilitation of a HOME single family home. Some examples of construction materials are wood, mortar, steel, drywall, flooring etc.

**DONATED LABOR:**

Enter the dollar value of all donated labor associated with this activity. A rate of \$10.00 per hour is the rate established by HUD for unskilled donated or voluntary labor. Labor from community groups, nonprofits, friends, neighbors, corrections work crews, Job Training Partnership Act (JTPA), and the Wisconsin Fresh Start (WFS) programs are some examples of donated labor.

**OWNER SWEAT EQUITY:**

Enter the dollar value of the owner sweat equity associated with this activity. This is the value of labor that members of the activity household contributed to the rehabilitation or construction of their single-family home. The value of owner sweat equity is computed using the \$10 per hour rate established by HUD for unskilled labor.

**COUNSELING/PROFESSIONAL SERVICES:**

Enter the dollar value of the counseling/professional service determined by the rate that the individual or entity performing the service normally charges. Direct costs are limited to salary costs (including benefits) and the cost of materials related to the services provided (e.g., pamphlets, tool kits for new homeowners etc.) can be counted as

match. Some examples of counseling/professional services are first homebuyer education classes and affordability counseling.

**TOTAL DONATIONS:**

Enter the total amounts from site preparation, construction materials, donated labor, owner sweat equity and counseling/professional services.

8. **FORGONE TAXES AND FEES:** *(provide documentation)*

**FORGONE TAXES:**

Enter the dollar value of forgone taxes for this activity. These are State or local taxes that are normally imposed or charged for similar activities. Some examples of forgone or deferred taxes are local property taxes, transfer taxes and state tax credits. For taxes that are forgiven only for a single year enter the full amount of the tax forgiven.

**WAIVED FEES:**

Enter the dollar value of waived fees for this activity. These are fees that are normally imposed for similar activities that are waived. Some examples of waived fees are permit fees, recordation fees and impact fees. For fees that are waived only for a single year enter the full amount of the waived fees.

**WAIVED CHARGES:**

Enter the dollar value of waived charges for this activity. These are waived charges that are normally imposed for similar activities that are waived. Some examples of waived charges by private or public institutions are title insurance premiums and utility hook-up surcharges. For charges that are waived only for a single year enter the full amount of the waived charges.

9. **DONATED LAND** *(provide documentation)*

Enter the dollar value of donated land for this activity. There are three types of donated land publicly owned land or property, private owned land or property or foreclosed property. Generally, the value of donated land is the appraised value before any HOME assistance is provided, minus any debt burden, lien or other encumbrance. Property must be appraised by an independent certified appraiser.

**PUBLICLY OWNED LAND:**

Enter the dollar value of the publicly owned land for this activity. The amount of the match contribution will be the difference between the appraised value of the property at acquisition and the acquisition cost, minus any debt, liens or encumbrances.

**PRIVATE OWNED:**

Enter the dollar value of the private owned land for this activity. Land donated from a private source to a HOME activity is 100 percent of the property value, minus any debt, liens or encumbrances.

**FORECLOSED PROPERTY:**

Enter the dollar value of the foreclosed property for this activity. Banks may sell a foreclosed property at an amount equal to back taxes owed. The value of the foreclosed property is the appraised value, before any HOME assistance is provided, minus any debt burden, lien or other encumbrance.

**TOTAL DONATED LAND:**

Enter the dollar value from publicly owned land, private owned land and foreclosed property.

10. **INFRASTRUCTURE:** *(provide documentation)*

Enter the dollar value of the infrastructure for this activity. Only infrastructure not paid for with federal funds may be claimed as match. Some examples of infrastructure are streets, sidewalks, street lights and utility lines and connections serving the activity. Infrastructure improvements must be made within 12 months of the start of the HOME activity.

**TOTAL INFRASTRUCTURE:**

Enter the value of all infrastructures for this activity.

11. **ACTIVITY LOCATION**

**STREET ADDRESS:**

Enter the street address for this HOME activity.

**CITY:**

Enter the name of the city where this HOME activity is located.

**ZIP CODE:**

Enter the zip code for this HOME activity.

**COUNTY:**

Enter the name of the county for this HOME activity.

**COUNTY CODE:**

Enter the county code from the HOME Program – Geographic Code System for the State of Wisconsin.

**12. HOUSEHOLD CHARACTERISTICS**

**UNIT NO:**

Enter 1 here. This number should always be 1 for homeowner projects.

**NO. OF BEDROOMS:**

Enter the number of bedrooms for this activity.

**OCCUPANT:**

Enter 2 here. This number should be 2 for HOME single family activities.

**MONTHLY RENT:**

Please enter NA or leave them blank. The fields below are used for rental activities not for HOME funded single family activities.

**TENANT CONTRIBUTION:**

Enter NA or leave it blank. This field is used for Rental activities not HOME funded single family activities.

**SUBSIDY AMOUNT:**

Enter NA or leave it blank. This field is used for Rental activities not HOME funded single family activities.

**TOTAL RENT:**

Enter NA or leave it blank. This field is used for Rental activities not HOME funded single family activities.

**INCOME DATA:**

The fields below are used to determine income.

**MONTHLY GROSS INCOME: (Round to the nearest dollar)**

Enter the activity's household gross monthly income (monthly income before taxes).

**% of AREA MEDIAN: (Round to the nearest dollar)**

Use the HUD HOME Household Income Limits tablet found on the HUD website:

[HOME Income Limits - HUD Exchange](#). Look up the activity county to get the % of area median. Enter the % of area median income found in the HUD HOME Household Income Limits that corresponds to the activity household size and household gross yearly income.

**HOUSEHOLD DATA:**

The fields below provide household demographic information for this activity.

**HISPANIC-CHECK IF YES:**

Check the box if this is a Hispanic household.

**RACE OF HEAD OF HOUSEHOLD:**

Enter the race of the head of household.

**11-WHITE**

**12-BLACK/AFRICAN AMERICAN**

**13-ASIAN**

**14-AMERICAN INDIAN/ ALASKAN NATIVE**

**15-NATIVE HAWAIIAN/ OTHER PACIFIC ISLANDER**

**16-AMERICAN INDIAN/ ALASKAN NATIVE & WHITE**

**17-ASIAN & WHITE**

**18-BLACK/AFRICAN AMERICAN & WHITE**

**19-AMERICAN INDIAN/ALAKAN NATIVE & BLACK/AFRICAN AMERICAN**

**20-BALANCE/OTHER**

Choose this category if none of the other racial profiles apply.

**09-VACANT UNIT**

**SIZE OF HOUSEHOLD:**

Enter the number of people in the activity household.

**TYPE OF HOUSEHOLD:**

Enter the type of household.

**1. SINGLE/NON-ELDERLY:**

Household head for this activity is unmarried and under the age of 65.

2. **ELDERLY:**

Household head is age 65 and over.

3. **RELATED/1 PARENT:**

Household head is a single parent.

4. **RELATED/2 PARENT:**

The household contains two parents.

5. **OTHER:**

Use this if none of the other types of household apply.

6. **VACANT UNIT:**

Unit is vacant.

**RENTAL ASSISTANCE:**

Enter 4 here. HOME funded single family activities will always be 4.

13. **DID THIS HOUSEHOLD RECEIVE HOMEBUYER COUNSELING?**

Check the box that applies to this household.

**NO COUNSELING:**

Household received no homebuyer counseling.

**PRE-PURCHASE:**

Household received pre-purchase (before purchase) homebuyer counseling.

**POST-PURCHASE:**

Household received post-purchase (after purchase) homebuyer counseling.

**BOTH PRE- AND POST-PURCHASE:**

Household received both pre- and post-purchase counseling.

**14. DID THIS PROJECT INVOLVE INTERIM CONTROLS (LEAD-SAFE WORK) OR ABATEMENT OF LEAD-BASED PAINT?**

Check yes if this project involved interim controls or abatement of lead-based paint.

**15. DID THIS ACTIVITY MEET ENERGY STAR STANDARDS?**

Check yes if this unit was certified as a Wisconsin ENERGY STAR home. ENERGY STAR homes are 25 percent or more energy efficient than homes built with Wisconsin's Uniform Dwelling Code. Housing units receiving this certification must pass a series of performance tests and meet specific program standards before being certified. Provide documentation if this is an ENERGY STAR unit.

**16. DID THIS HOMEBUYER COME FROM SUBSIDIZED HOUSING (PUBLIC HOUSING OR RENTAL ASSISTANCE FROM A FEDERAL, STATE OR LOCAL PROGRAM) IMMEDIATELY PRIOR TO HOME ASSISTANCE?**

Check yes if the homebuyer came from public housing or received rental assistance from a federal, state or local program immediately prior to home assistance.



## **F. HOME CONTRACT COMPLETION REPORT (CERTIFICATE OF COMPLETION)**

A HOME Contract Certificate of Completion must be submitted to DOA 30 days after the contract performance period has ended. See Attachment V-5 for a sample of the completion form. The report lists the total administrative and activity contract amounts as well as the amounts disbursed to a grantee for all activities completed and administrative costs reimbursed under the contract. Any unsettled claims are also listed on the report, if applicable. In addition, the contract between the Grantee and the Department contains other reporting requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

The amounts reported by the grantee will then be reconciled with DOA accounting records. If the same, the certificate will be signed by DOA and a copy sent to the grantee. A contract will NOT be considered closed until the certificate is signed by both the grantee and DOA. In addition, any undisbursed funds will be retained by DOA and no longer available to the grantee.

## **G. CONTRACT AMENDMENTS**

A written agreement or contract is established prior to committing or disbursing any HOME funds. It includes a binding agreement for the period of performance, minimum number of units related to activities, and funding amounts. Any change to the contract such as extending the period of performance must be done through an amendment approved by DOA. No funds will be disbursed after the period of performance regardless of whether activity or administrative costs have been incurred. In addition, the contract between the Grantee and the Department contains amendment requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

Requests to extend the contract must be submitted to DOA 30 days prior to the end of the contract or period of performance. When considering submitting an amendment request, please consider that all activities must be complete before the end of the period of performance.

**ATTACHMENT V-1**

**ACTIVITY SET-UP REPORT**

**HOME PROGRAM**

**1. ACTIVITY INFORMATION**

<b>Activity #:</b>			
<b>DATE:</b>		<b>Contract #:</b>	
<input type="checkbox"/> Original Submission		<input type="checkbox"/> Revision	
<b>AGENCY NAME:</b>		<b>E-MAIL ADDRESS:</b>	
<b>AGENCY CONTACT:</b>		<b>TELEPHONE:</b>	<b>EXT. #:</b>

Will this activity be carried out by a faith-based organization?     YES             NO

Was this activity located in a Historic Preservation Area?     YES             NO

**2. ENVIRONMENTAL REVIEW**

**Approximate age of unit**

YES     NO        Completed copies of the Statutory Checklist (Attachment 3-2) and Initial Activity Review Form (Attachment 3-5) are in the activity file at the Grantee’s office.

YES     NO        We have sent a request for environmental review to the Environmental Desk at Commerce.  
**Date Sent** \_\_\_\_\_

**3. HOME FUNDS**

<b>HOME funds Committed</b> (including lead mitigation)	\$
Other HUD funding (CDBG, HTF, etc.)	\$
<b>Total HUD funds (Section 3 reporting of work hours required if over \$200,000)</b>	\$
Non-HUD Funding	\$
<b>TOTAL ESTIMATED COST</b>	\$

**4. ACTIVITY INFORMATION**

**5. ACTIVITY STREET ADDRESS**

Street Address		
City		Zipcode:

**6. OWNER INFORMATION**

Name		Telephone:
Street Address/P.O. Box		
City		Zipcode:

--	--

(Signature and Title)

(Date)

Submit/email the Activity Set-Up Report to [DOADOHHHRHCRI@wisconsin.gov](mailto:DOADOHHHRHCRI@wisconsin.gov). and copy the program manager.

The written agreement with the Homebuyer or Homeowner must be signed and dated. The written agreement must be submitted along with the set-up report.



**Attachment V-3**

**Home Buyer and Home Owner Rehabilitation (HHR Program)  
Department of Administration  
Division of Energy, Housing and Community Resources (DEHCR)**

Make Check Payable To:

[Redacted]

Contract Number:

[Redacted]

Contract Period:

PO Number:

Person Completing this Form:

[Redacted]

Request Date:

[Redacted]

Phone Number:

Amended Report?

[Redacted]

Final Report?

[Redacted]

Period Covered By This Report:

[Redacted]

PI Amount:

**\$0.00**

Contract Amount:

**\$0.00**

**Start Next Report**

Category of Activity	Activity Number	Previous Request Number	Request Number	Activity/Admin Program Authorized Budget	Previously Invoiced	Current Invoice	Total Invoiced to Date	Activity/Admin Program Balance	Mark F if final payment or C for Canceled Activities
P Admin		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
C Admin		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
P Address 1		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
C Address 2		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
C Address 3		0	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
<b>TOTALS:</b>				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

**Contract Amount Remaining to be Budgeted:**

**\$0.00**

Certification:

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent, information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)

Grantee Representative

Name:

Title:

Date:

DEHCR Payment Authorization

Date Signed

**EMAIL COMPLETED FORM TO:  
DOADEHCRFISCAL@WISCONSIN.GOV  
WITH A COPY TO YOUR PROGRAM MANAGER.**

**ATTACHMENT V-4**

**HOMEOWNER COMPLETION REPORT      HOME PROGRAM**

**1. ACTIVITY INFORMATION**

<b>Activity #:</b>		<b>Program: HOME HHR</b>	
<b>SUBMISSION DATE:</b>		<b>Contract #:</b>	
<input type="checkbox"/> Original Submission		<input type="checkbox"/> Revision	
AGENCY NAME:		EMAIL ADDRESS:	
AGENCY CONTACT:		TELEPHONE:	EXT. #:

**Type of Activity:** \_\_\_\_\_

- 1 Rehab Only
- 2 New Construction Only
- 3 Acquisition Only
- 4 Acquisition & Rehab
- 5 Acquisition & new Construction

**Accessibility Modification?**

- Yes
- No

**First-time Homebuyer?**

- Yes
- No

**Section 504 Accessible?**

- Yes
- No

**Lead Paint**

**\*Applicable Lead Paint Requirement:**

- Housing construction before 1978
- Exempt: housing constructed 1978 or later
- Otherwise exempt

**\*Lead Hazard Remediation Actions:**

- Lead Safe Work Practices (24 CFR 35.930(b))
- Interim Controls or Standard Practice (24 CFR 35.930(c))
- Abatement (24 CFR 35.930(d))

**2. HOME CONTRACT FUNDS**

*REHAB OR DEVELOPMENT*

Direct Loan	Annual Interest Rate:	Amortization Period-Years:	\$
Grant:			\$
Deferred Payment Loan (DPL)	Annual Interest Rate:	Amortization Period-Years:	\$
<b>TOTAL HOME REHAB OR DEVELOPMENT FUNDS</b>			<b>\$</b>

Relocation Costs	\$
------------------	----

*DOWNPAYMENT ASSISTANCE*

Direct Loan	Annual Interest Rate:	Amortization Period-Years:	\$
Grant:			\$
Deferred Payment Loan (DPL)	Annual Interest Rate:	Amortization Period-Years:	\$
<b>TOTAL HOME DOWNPAYMENT FUNDS</b>			<b>\$</b>

<b>Initial Purchase Price: \$</b>	<b>HOME Mortgage Limit: \$</b>
<b>After Rehab Value: \$</b>	<b>Appraised Value: \$</b>

**3. OTHER FEDERAL FUNDS** (Specify source & use)

Federal Funds		\$
Federal Funds		\$
USDA Rural Development Loan		\$
<b>TOTAL FEDERAL FUNDS</b>		<b>\$</b>
AGENCY NAME:		ACTIVITY #:

**4. STATE/LOCAL FUNDS** (Specify source & use)

Housing Trust Funds		\$
State/Local Appropriated Funds		\$
State/Local Tax Exempt Bond Proceeds		\$
<b>TOTAL STATE/LOCAL FUNDS</b>		<b>\$</b>

**5. PRIVATE FUNDS**

Lender Name: _____ WHEDA		Mortgage Amount:	
Loan Type: ____fixed ____variable	Lock In Date:	Interest Rate:	No. of Years:
Private Loan Amount			\$
Owner Cash Contribution			\$
Foundation Grants			\$
Individual Donations (specify who/what)			\$
<b>TOTAL PRIVATE FUNDS</b>			<b>\$</b>

<b>TOTAL ACTIVITY COSTS</b> (Total of Items 2 through 6)	<b>\$</b>
--	-----------

**6. SECTION 3 LABOR HOURS (Required if over \$200,000 in HUD funds spent)**

Category	Hours	Calculated %	Requirement Met
All Workers			
Targeted Section 3 Workers (5% requirement)			
Section 3 Workers (25% requirement)			

Section 3 workers include: low or very low income, employed by Section 3 Business or YouthBuild participants

Qualitative Efforts made if Section 3 Requirements aren't met:

Checklist Category	Check all that apply
Outreach Efforts to hire targeted workers	
Direct on-the-job training (including apprenticeships)	
Indirect off-site training (including arranging, contracting or paying tuition)	
Technical off-site training (including arranging, contracting or paying tuition)	
Outreach efforts to hire Section 3 businesses	
Technical assistance to help Section 3 businesses understand and bid on contracts	
Division of contracts into smaller jobs to facilitate participation by Section 3 businesses	

Provided or connected resident's assistance in seeking employment including drafting resumes, preparing for interviews, finding job opportunities or job placement services	
Held one or more job fairs	
Provided or connected residents with supportive services that provide direct services or referrals	
Provided or connected residents with supportive services that provide work readiness health screenings, interview clothing, uniforms, test fees or transportation	
Assist residents with finding childcare	
Assist residents to apply for/or attend community college or four-year educational institution	
Assist residents to apply for/or attend vocational/technical training	
Assist residents to obtain financial literacy training and/or coaching	
Bonding assistance, guaranties or other efforts to support viable Section 3 businesses bids	
Provided or connected residents with training on computer use or online technologies	
Other (specify)	

**7. DONATIONS**

Description\*

Site Preparation		\$
Construction Materials		\$
Donated Labor		\$
Owner Sweat Equity		\$
Counseling/Professional Services		\$
<b>TOTAL DONATIONS</b>		<b>\$</b>

\*Provide the documentation

**8. FORGONE TAXES & FEES**

Description \*

Forgone Taxes		\$
Waived Fees		\$
Waived Charges		\$
<b>TOTAL FORGONE TAXES AND FEES</b>		<b>\$</b>

\*Provide the documentation

AGENCY NAME:	ACTIVITY #:
--------------	-------------

**9. DONATED LAND**

Description\*

Publicly owned land		\$
Private Owned		\$
Foreclosed Property		\$
<b>TOTAL DONATED LAND</b>		<b>\$</b>

\* Provide the necessary documentation

**10. INFRASTRUCTURE**

Description\*

		\$
<b>TOTAL INFRASTRUCTURE</b>		<b>\$</b>

\* Provide the necessary documentation



**11. ACTIVITY LOCATION**

<b>Street Address</b>			
<b>City</b>		<b>Zipcode</b>	
<b>COUNTY in which activity is located:</b>		<b>COUNTY CODE:</b>	

**12. HOUSEHOLD CHARACTERISTICS**

Unit No	No. of Bedrooms	Occupant	Monthly Rent* (Including Tenant Paid Utilities)			Income Data*		Household Data				
			Tenant Contribution	Subsidy Amount	Total Rent	Monthly Gross Income	% of Area Median	Hispanic - Check if "yes"	Race of Head of Household	Size of Household	Type of Household	Rental Assistance
	0- efficiency 1-1Bdrm 2-2 Bdrms 3-3 Bdrms 4-4 Bdrms 5-5 or more Bdrms	1-Tenant 2-Owner 9-Vacant					1-0-30% 2-31-50% 3-51-60% 4-61-80% 9-Vacant		11-White 12-Black/African American 13-Asian 14-American Indian / Alaskan Native 15-Native Hawaiian / Other Pacific Islander 16-American Indian / Alaskan Native & White 17-Asian & White 18-Black/African American & White 19-American Indian/Alaskan native & black/African American 20-Balance/Other 09-Vacant unit	1-1 Person 2-2 Persons 3-3 Persons 4-4 Persons 5-5 Persons 6-6 Persons 7-7 Persons 8-or more Persons 9-Vacant	1-Single/non-Elderly 2-Elderly 3-Related/1 parent 4-Related/2 parent 5-Other 9-Vacant Unit	1-Section 8 2-HOME TBRA 3-Other 4-None 9-Vacant Unit
			\$	\$	\$	\$		<input type="checkbox"/>				

\*Round to the nearest dollar.

<b>AGENCY NAME:</b>	<b>ACTIVITY #:</b>
---------------------	--------------------

- 13. Did this household receive homebuyer counseling:
  - No counseling  Post-purchase
  - Pre-purchase  Both Pre- and Post-purchase
  
- 14. Did this activity involve interim controls (lead-safe work) or abatement of lead-based paint?
  - Yes  No
  
- 15. Did this activity meet Energy Star Standards?
  - Yes  No
 (If "Yes" please provide documentation showing certification from Focus on Energy)
  
- 16. Did this homebuyer come from subsidized housing (public housing or rental assistance from a federal, state or local program) immediately prior to HOME assistance?
  - Yes  No

Submit the Completion Report via: [DOADOHHHRHCRI@wisconsin.gov](mailto:DOADOHHHRHCRI@wisconsin.gov) and copy the program manager.

**ATTACHMENT V-5**

**HOME CONTRACT CERTIFICATE OF COMPLETION**

1. Name of Grantee \_\_\_\_\_

2. HOME PROGRAM \_\_\_\_\_ Contract # \_\_\_\_\_

3. PERFORMANCE PERIOD \_\_\_\_\_ TO \_\_\_\_\_

**4. FINAL EXPENDITURE STATEMENT**

**To be Completed by Grantee**

	HOME Contract Amount	HOME Funds Disbursed	Unsettled Third Party Claims
Activity Funds	\$	\$	\$
Administrative Funds	\$	\$	\$
<b>TOTAL</b>	\$	\$	\$

**5. UNSETTLED THIRD-PARTY CLAIMS NARRATIVE**

**6. CERTIFICATION OF GRANTEE**

It is hereby certified that all activities undertaken by the Grantee with funds provided under the contract identified in 2. above, have, to the best of my knowledge, been carried out during the contract performance period in accordance with the contract and the applicable OMB regulations; that proper provision has been made by the Grantee for the payment of all unpaid costs and unsettled third-party claims identified in 4.C. above; and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date.

Date	Name and Title of Grantee's Officer	Signature of Grantee's Officer
------	-------------------------------------	--------------------------------

**7. DEHCR APPROVAL**

Date	Name and Title of DEHCR Official	Signature of DEHCR Official
------	----------------------------------	-----------------------------

**SECTION VI. HOME HHR MATCHING FUNDS**

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## A. BACKGROUND

A premise of the National Affordable Housing Act of 1990, which authorized the HOME Investment Partnerships Program, is that providing affordable housing to low-income persons is the responsibility of all levels of government. Therefore, matching contributions are required as the state and local government stake in the HOME Program.

“Match” is a permanent contribution made to the HOME partnership for affordable housing. The HOME program requires match in an amount equal to no less than 25% of the total HOME funds drawn down for project costs. The match obligation is incurred by drawing down HOME funds for an activity. The match contribution can be made from numerous sources. **Match is not leveraging.** Match is the local, non-federal contribution to the affordable housing partnership.

## B. MATCH CREDIT

### Defining HOME-assisted and HOME-eligible

HOME-assisted unit is defined as a housing unit, which receives at least \$1,000 of HOME activity funds from a Grantee’s current HOME contract.

HOME-eligible unit is defined as an affordable housing unit that did not receive HOME contract funds but complies with all applicable HOME regulations such as, but not limited to, HQS, resident income eligibility and period of affordability. For example, a project funded only with HOME program income would meet the definition; a unit funded with CDBG—another federal source—would not.

### Requirements

- Grantees should refer to their HOME Program Contract for specific Match requirements.
- In accordance with HUD regulations, eligible match credit is required on all HOME funds, with the exception of administrative funds. The State of Wisconsin has a 25% match obligation for all activities.
- Match obligated for any other federal program is not eligible to be used as match credit for HOME.

In addition, the contract between the Grantee and the Department contains match requirements. In the event of conflict between the language specified in a grantee’s contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

### Reporting Match

1. HOME-assisted units’ match credit sources need to be identified on the HOME Activity Completion Report. Use the HOME ELIGIBLE COMPLETION REPORT for activities without contract funds. A description of the completion reports is found in Section V (Financial Management) of the HHR Manual.
2. Attach ALL necessary documentation needed for reporting Match. Refer to the Match Notice for requirements.

## **Documenting Match**

Documentation is required for each activity where match is claimed. The local activity file should contain letters from the funding source, receipts, invoices or purchase orders and written back up regarding any appraisals, interest rate differentials, present value or prorated calculations which were required.

## **Match Sources**

The HOME Activity Completion Report will generally report all sources utilized in the activity whether or not they qualify as HOME match. DOA staff will be responsible for making final match determinations and will provide periodic feedback on grantee match progress.

## **Leveraging Funds**

All grantees, regardless of activity funding, should leverage funding from as many resources as possible.

**NOTE:** Contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching contribution requirement for the HOME program.

## **TIMING OF MATCH CREDIT**

Match contributions are credited at the time that the contribution is made. Specifically:

1. A cash contribution is credited when the funds are expended;
2. The grant equivalent of a below-market interest rate loan is credited at the time of the loan closing;
3. The value of state or local taxes, fees, or other charges that are normally or customarily imposed but are waived, foregone, or deferred is credited at the time the state or local government or public or private entity officially waives, forgoes, or defers the taxes, fees, or other charges and notifies the project owner;
4. The value of donated land or other real property is credited at the time ownership of the property is transferred;
5. The cost of investment in infrastructure directly required for a HOME-assisted project is credited at the time funds are expended for the infrastructure or at the time, the HOME funds are committed to HOME-assisted project if the infrastructure was completed before commitment of the HOME funds;
6. The value of donated materials is credited as match at the time it is used for affordable housing;
7. The value of the donated use of site preparation or construction equipment is credited as match at the time the equipment is used for affordable housing;
8. The value of donated or voluntary labor or professional services is credited at the time the work is performed; and
9. A loan made with the proceeds of affordable housing bonds is credited at the time of the loan closing.

### C. ELIGIBLE SOURCES OF MATCH

The match obligation may be met with any of the following specific sources:

◆ *Cash or cash equivalents from a non-federal source;*

The full, face value of a cash contribution can be counted as match if:

1. It is from non-federal funds; and
2. The contribution is permanent. Permanent contributions are those where all repayment, interest, or other return on investment is made to the Grantee's HOME account.

Some cash payments are not permanent contributions to the HOME program. This occurs when below-market-interest-rate (BMIR) loans are used as a match, but the principal and interest are repaid to other than the HOME account. The match value of BMIR loans that are not repaid to the HOME account is based on the discounted present value of the yield foregone.

◆ *Value of waived taxes, fees or charges associated with HOME activities;*

There are two classes of waived fees that may be counted as match:

1. State and local taxes, charges and fees: The value of foregone real estate taxes must be based on post-improvement value. The value of fees, taxes or charges foregone for future years is the present discounted cash value of the amount forgiven, based on the treasury security rate closest in maturity to the number of years for which fees, taxes or charges are foregone; and
2. Other charges or fees: These are fees normally associated with property transfer or development, such as title searches, title insurance premiums and utility hook-ups or surcharges.

Waived taxes, charges or fees are not match credit if:

- Waived taxes, charges or fees are associated only with the HOME Program. This means you cannot create a fee and waive or reduce it for HOME projects only; or
- Developers waive their own fees.

◆ *Value of donated land or real property;*

Land or real property permanently contributed to a HOME-assisted activity. The property may be donated or the property may be sold at below its market value.

Property acquired with non-federal funds:

1. If a property acquired with non-federal resources and is donated to a HOME-assisted project or HOME-eligible project, the match credit is equal to 100% of the appraised value minus any debt burden, liens, or other encumbrances.

Properties may be donated by non-federal public entities, private entities, or individuals. They may not be donated by applicants for or recipients of HOME assistance or contracts, or investors who own, are working on, or are proposing to apply for HOME assistance.

2. The appraisal must be performed by an independent, certified appraiser. The appraisal method must conform to generally recognized practices and procedures. Opinions of value must be based upon the best available data.

#### Property acquired with federal funds:

1. If the property is acquired by the owner/grantee of the HOME-assisted or HOME-eligible project, the match credit is the difference between the appraised value at the time of acquisition with the federal funds and the acquisition cost. The seller acknowledges in writing at the time of the donation that s/he is making a contribution to affordable housing.

Example: Using HOME, a nonprofit acquires property from a private owner for \$55,000. The appraised value at the time of the acquisition is \$75,000. The private owner acknowledges in writing at the time of the donation that she is making a contribution to affordable housing. The match credit is \$20,000.

2. If the property is acquired with federal funds by an entity that donates the property to the owner of the HOME activity, the match contribution is the difference between the appraised value and the acquisition cost.

Example: A tract of land has an appraised value of \$100,000. Grantsville purchases the property with CDBG funds for \$75,000 and donates the land. The seller acknowledges in writing that the \$25,000 discount on the purchase price (the difference between the appraised value and the acquisition price) is a donation to affordable housing. The match credit based on the donation from the seller is the \$25,000.

Grantsville used \$30,000 in local funds and \$45,000 in CDBG funds to help purchase the property. This produces additional match credit of \$30,000 (the amount of the local fund contribution, but not the CDBG funds). The total match credit is \$55,000.

#### ◆ *Cost of infrastructure improvements (non-federally funded) associated with the HOME activity;*

Examples include: streets, sidewalks, gutters, street lights, and utility lines and connections. Parks, bridges, or highways are not eligible types of infrastructure improvements.

To receive match credit the infrastructure improvements must be directly related to the HOME-assisted

activity(s). (Infrastructure improvements related to HOME-eligible housing do not provide match credit.) The infrastructure improvement must **directly facilitate the occupancy** of the HOME-assisted units.

The improvement must be completed no earlier than 12 months before HOME funds are committed to the activity. The improvement must be paid for from non-federal funds. The investment must be prorated to reflect service to HOME and non-HOME units;

- ◆ *A percentage of the proceeds of single-family housing bonds issued by state, state instrumentality, or local government;*
- ◆ *Value of donated materials, equipment, labor and professional services;*
  1. Materials must have been purchased with non-federal funds. The value must be documented.
  2. The value of the use of site preparation and construction equipment donated may be counted as match at full value (i.e., the rental rate multiplied by the number of hours/days for which the equipment was donated). Documentation of the match must include a letter from the equipment owner stating the rental rate and number of hours/days donated.
  3. The value of any donated or volunteer labor, including professional services may be counted. The hourly labor rate for unskilled labor is \$10.00. The value of labor or professional services provided to affordable housing at a reduced rate as a donation by an individual/entity may be counted at the individual's hourly rate. Documentation of the match must include a letter from the individual/entity stating the hourly rate and number of hours donated. Refer to the MATCH CERTIFICATION COUNSELING & SUPPORTIVE SERVICES form (Attachment VI-2) to use for documentation purposes.
- ◆ *Sweat equity: The value of sweat equity provided to a homeownership activity may be counted as match at the rate of unskilled labor. Sweat equity includes donated labor provided by a homeowner or volunteer. Refer to the MATCH SWEAT EQUITY CERTIFICATION form (Attachment VI-1) to use for documentation purposes;*
- ◆ *Direct cost of homebuyer counseling to families purchasing homes with HOME assistance;*

The direct cost of counseling services provided may be counted if the services are paid for with non-federal funds AND are provided during the period of affordability. The costs that may be counted as match are limited to salary costs and the cost of materials directly related to the provision of these services. Overhead costs are not considered direct costs. Refer to the MATCH CERTIFICATION COUNSELING & SUPPORTIVE SERVICES form (Attachment VI-2) to use for documentation purposes.

Ineligible sources of match include:

- ◆ Contributions made with or derived from federal resources, regardless of when the funds were received or expended;
- ◆ The interest rate subsidy attributable to the federal tax exemption on financing or the value attributable to federal tax credits (such as the Low Income Housing Tax Credit Program);



- ◆ Owner equity or investment in an activity (except for sweat equity);
- ◆ Cash or other forms of contributions from applicants for or recipients of HOME assistance; and
- ◆ Contributions counted as match toward any other federally-funded program.

In addition, the contract between the Grantee and the Department contains match eligibility requirements. In the event of conflict between the language specified in a grantee’s contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## **D. POTENTIAL FUNDING SOURCES**

### **PUBLIC/PRIVATE FUNDS**

#### ◆ *Private Grants:*

- Cash contributions from third party--must be a non-federal source.
- Foundation grants.
- Down Payment Plus Administered by the Wisconsin Partnership for Housing Development, Inc.
- Tomorrow’s Home Foundation “Universal Access Grant” for down payment Assistance.
- Federal Home Loan Bank—Affordable Housing Program (FHLB-AHP) for down payment assistance.

#### ◆ *State/Local Appropriated Funds:*

- County or local grants.
- HCRI (down payment, closing costs and soft costs of construction).
- Stripper Well Petroleum Violation Escrow (PVE) for asbestos abatement.
- WHEDA Foundation Grant Program funds, EZ Close Loans and Affordable Housing Bonds.
- Department of Health Services (DHS)/Community Options Program (COP).
- Wisconsin Veterans Administration Loans.
- 'Old' Section 17 Rental Rehabilitation Funds.
- Public Benefits.

#### ◆ *Utility Company Funding:*

- Utility company contributions to projects for weatherization and repair activities.

- Rebates for appliance purchase and installation.
- Rebates for weatherization materials and labor.

◆ *Charitable Organizations:*

- United Way.
- Easter Seal Society.
- Goodwill.
- Private foundation grants.

**LOANS**

- ◆ Private sector (banks or loan institutions).
- ◆ Governmental loans (rural housing development loans, city/county loans not from foundations).
- ◆ WHEDA Easy Close loan.

**BOND FINANCING**

- ◆ *State/Local Tax Exempt bond Proceeds*
  - Housing Authority mortgage revenue bonds.
  - WI VETS home purchase, rehab programs.
  - WHEDA loan program funding.
  - Proceeds from refinancing of projects developed with tax exempt bonds.

**DONATIONS**

- ◆ The value of negotiated discounts for any construction materials or labor.
- ◆ Donated construction materials.
- ◆ Site preparation.
- ◆ Manufacturer rebates for major appliances and materials.
- ◆ Volunteer labor not performed by owner—Submit MATCH SWEAT EQUITY CERTIFICATION (Attachment VI-1).
- ◆ Homeowner sweat equity--Submit MATCH SWEAT EQUITY CERTIFICATION (Attachment VI-1).
- ◆ Professional services, including: architectural/engineering, trades (electrician, plumber, carpenter) homebuyer counseling, supportive services such as case management, mental health services, assistance with the tasks of

daily living, substance abuse treatment and counseling, day care, job training and counseling. (*provide documentation*)

- ◆ Labor from such sources as Correction work crews and non-federal portions of Job Training Partnership Act (JTPA), WEJT and Wisconsin Fresh Start (WFS) programs

**FOREGONE TAXES, FEES & CHARGES** (*provide documentation*)

- ◆ Waived fees and charges.
- ◆ Foregone property taxes.

**DONATED LAND** (*provide documentation*)

- ◆ Publicly owned land or property.
- ◆ Private owned land or property.
- ◆ Foreclosed property.

**INFRASTRUCTURE**

Value of adjacent public infrastructure improvements that proportionately benefits HOME project including: (1) Sidewalks; (2) Utilities; and (3) Streetlights.

**Improvements must have been constructed within 12 months of the start of the HOME activity to claim as match.**

**ATTACHMENT VI-1**

**MATCH SWEAT EQUITY CERTIFICATION**

**Activity #:** \_\_\_\_\_

I, \_\_\_\_\_ (name of person providing labor), worked \_\_\_\_\_ hours on \_\_\_\_\_ (dates labor performed) at the above listed HOME Program activity site. A brief description of the labor I donated is as follows:

\_\_\_\_\_  
\_\_\_\_\_

Signed:

Date:

\_\_\_\_\_  
\_\_\_\_\_

**FOR GRANTEE USE:**

\_\_\_\_\_ # Hours Sweat Equity was provided

x\$ 10.00 (multiplied by Standard Rate as determined by HUD)

\$\_\_\_\_\_ **TOTAL Match Value claimed**

**Reviewed by:**

**Date:**

\_\_\_\_\_  
\_\_\_\_\_

(Signature of Grantee staff reviewing match claimed)

**Instructions:**

1. Complete Match Sweat Equity Certification for each household member that provided work to the HOME activity.
2. File copy of each form in local HOME activity file.
3. Report match claimed on Activity Completion Report
4. Submit copy of form with Activity Completion Report to DOA per normal procedures

**ATTACHMENT VI-2**

**MATCH CERTIFICATION/COUNSELING & SUPPORTIVE SERVICES**

**Activity #:** \_\_\_\_\_ **Date form sent to DOA:** \_\_\_\_\_

Check the appropriate box

Homebuyer Counseling

Supportive Services

\_\_\_\_\_ Period of Affordability of HOME Activity

\_\_\_\_\_ Number of years services will be provided to above HOME activity

\_\_\_\_\_ (HOME Grantee) certifies that the following services WERE/SHALL BE provided (during the Period of Affordability) to the above HOME Activity.

Service Provider and Funding Source(s)	Service Provided (brief description)	# Hours of Service Provided PER YEAR	Normal Rate per Hour \$	Date(s) Service Provided (including YEAR)	TOTAL Match claimed PER YEAR \$

Copy and attach additional pages as needed.

Reviewed by:

Date:

\_\_\_\_\_

(Signature of Grantee staff reviewing match claimed)

**Instructions:**

1. Obtain written agreement with agency providing services during 'Period of Affordability.'
2. File copy of written agreement with agency in local activity file.
3. Complete Match Certification Form
4. File copy of Form in local activity file
5. Attach original signed form with Activity Completion Report and submit to DOA per normal procedures.

**SECTION VII. HOME HHR PROPERTY STANDARDS**

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## A. Background

Properties assisted with HOME funds must meet certain minimum property standards (24 CFR 92.251). State and local codes and ordinances apply to any HOME funded activity, regardless of whether the activity involves acquisition, rehabilitation, or new construction. The minimum property standard for acquisition-only and rehabilitation activities where there are not local building codes is Section 8 Housing Quality Standards (HQS) and, for rehabilitation activities, HOME Minimum Rehabilitation Standards. All new construction activities must comply with the State of Wisconsin Uniform Dwelling Code. In addition, the contract between the Grantee and the Department contains property standards requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## B. Property Standards

The property must be free from any defects that pose a danger to the health and safety of the occupants. All HHR program Grantees shall comply with the following:

- ◆ Prior to assistance with HOME funds, an initial inspection must be completed to determine if the unit is decent, safe, sanitary, and complies with state and local codes or can be brought into compliance. The minimum inspection standard is HQS. The Housing Quality Standards (HQS) Inspection form is available at: [Housing Quality Standards - HCV | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](https://www.hud.gov/program_offices/comm_planning/quality_standards).
- ◆ Each item that fails the HQS inspection must be brought up to the local building code and/or HOME Minimum Rehabilitation Standards. Refer to the HHR webpage for a copy of the standards at: [DEHCR HOME Homebuyer and Rehabilitation Program \(HHR\) \(wi.gov\)](https://www.dehcr.wisconsin.gov/home-rehabilitation-program). After the work has been completed, a final inspection must be done to ensure compliance;
- ◆ In areas where there is a local building code all units must meet the local code requirements;
- ◆ Each major system such as windows, doors, plumbing, heating/cooling, etc. must have a remaining useful life of a minimum of five years; and
- ◆ All required rehabilitation and replacement of appliances, systems, and components must use Energy Star qualified replacement components.

## C. Lead-Based Paint

All units in a project assisted with HOME funds must comply with the regulation implementation Title X of the 1992 Housing and Community Development Act (24 FR Part 35). The purpose of the regulation is to identify and address lead-based paint hazards before children are exposed to lead. All households receiving HOME assistance and occupying pre-1978 housing must receive the EPA-approved information pamphlet on identifying and controlling lead-based paint hazards called "Protect Your Family from Lead in Your Home". Refer to Section VIII (Asbestos and lead-based paint) for more information and requirements. In addition, the contract between the Grantee and the Department contains lead-based paint requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

#### **D. Asbestos**

Asbestos is a fibrous fireproof material which in the past has been used in numerous building products including insulation, exterior siding, roofing materials, plaster, and many others. Asbestos is still being used in many products today. The only products that are banned from asbestos use are spray applied materials for fireproofing. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

*Refer to Section VIII (Asbestos and lead-based paint) for more information and requirements.*

#### **E. Mobile Home Units/Manufactured Housing**

New manufactured housing must be installed according to state or local codes or the manufacturer's written instructions. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

The HOME Final Rule does not discuss permanent foundations. However, DOA program policy requires that these units be set on a basement, piers, frost footings, or utilize a tie-down system as specified by the manufacturer.

The Wisconsin Department of Safety and Professional Services makes a distinction between manufactured dwelling and manufactured home in the following table:



<b>MANUFACTURED DWELLING</b>	<b>MANUFACTURED HOME</b>
<b>AKA:</b> Pre-Fab, "Wausau Home", Modular Dwelling/ Modular Home, Double-Wide	<b>AKA:</b> Mobile Home, Trailer Home, "Hudular", HUD Home, Double-Wide
Must be installed on UDC permanent foundation, basement or floating slab.	Installed on slab w/piers or pier foundation or one of the options for UDC dwelling.
Standard 3-Wire Electrical System. (2-hots, 1 neutral to ground)	Requires 4-Wire Electrical System. [2-hots, 1 neutral and 1 separate, insulated, (green) equipment grounding conductor]  Requires freestanding electrical distribution panel (not service rated) & disconnect unless on permanent foundation.
Must be transported on removable transport frame or chassis (similar to a flatbed truck).	May be transported on wheels attached to the permanent metal frame. (Wheels, axles, and hitch may be removed)
Inspected in factory by third party using certified UDC inspectors.	Inspected in factory by third party under federal contract.
WI Insignia - 1 label (approx. 3" X 4" plastic decal). Typically label is under kitchen sink, under the bathroom sink on the vanity, or on electrical panel. Unit must have label indicating the date of manufacture.	Each section has HUD # attached to the frame as well as having a 2" X 4" red metal tag on the end of the unit opposite the hitch. Each unit must have label indicating the date of manufacture and the manufacturer's name and address (usually in a closet or by electrical box).
Must meet ch. Comm 22 energy code.	Will have prescriptive insulation standards, such as R-30 for attic insulation.
Must meet UDC attic ventilation requirements.	Requires mechanical attic ventilation.
Doors and interior circulation – 50% of bedrooms, all common areas & 1 full bathroom must be 2'-8" minimum.	Allows for interior doors to be 2'-6".
Must be designed and built per UDC based on the home's location. (snow loads, outdoor design temperature, etc.)	Roof construction is based on 30# live load. (may have trusses made of 2" X 2" or 2" X 3" members)
All aspects covered by UDC - requires permits and inspections for on-site work and open panel construction of the units.	Home is covered by HUD code - not UDC.  Permanent additions (basement, garage, porch, carport, etc.) covered by UDC.

**SECTION VIII. HOME HHR ASBESTOS AND LEAD-BASED PAINT**

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## A. ASBESTOS

Asbestos is a mineral fiber that was commonly added to products to strengthen them, and to provide heat insulation and fire resistance. Asbestos is commonly found in older homes where it was used for pipe and furnace insulation, in asbestos shingles, millboard and transite siding, floor tiles, and a variety of other coating materials. The only way to determine whether a material is asbestos (containing more than 1% asbestos) is through Polarized Light Microscopy.

The handling of asbestos-containing materials (ACM) is regulated by the Environmental Protection Agency (EPA) under the National Emissions Standards for Hazardous Air Pollutants (NESHAP), 40 CFR Part 61, and the Occupational Safety and Health Administration (OSHA) under regulations delineated in 29CFR 1926.1101.

In Wisconsin, the Department of Natural Resources (DNR) enforces the control of asbestos emissions through chapter NR447 Wisconsin Administrative Code. The Wisconsin Department Health Services (DHS) requires and enforces training and certification of individuals involved in asbestos-related activities through chapter DHS159, Wisconsin Administrative Code. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

### **General Policy on Asbestos:**

ALL rehabilitation that is done in whole or part with HOME funds must comply with state and federal asbestos removal requirements:

- ◆ Leave undamaged asbestos in place. Asbestos should only be removed when it is friable (which means that it can be crumbled to a powder by hand pressure) or when it will be disturbed by building rehab or demolition;
- ◆ Removal of ACM can be legally performed by contractors certified by DHS; and
- ◆ Regulations regarding disposal in an approved landfill must be followed. Disposal is regulated by DNR, Bureau of Solid Waste Management.

**NOTE:** Renovations or demolition of a single, isolated, residential dwelling unit or structure with four or less dwelling units is exempt from DNR asbestos regulations for air emissions but disposal rules and DHS regulations regarding certification and training accreditation of workers still apply. If a contractor is removing ACM, s/he must be certified and DHS must be notified 2 days prior to start of project.

Web Resources:

<http://dnr.wi.gov/topic/Demo/Asbestos.html>

<http://dhs.wisconsin.gov/asbestos/index.htm>

For Grantees undertaking rehabilitation activities:

1. Determine if the proposed rehabilitation activities will disturb any ACM. If in doubt, the grantee should have the material sampled by a certified asbestos inspector and tested by a certified laboratory to determine if asbestos is present and the asbestos level content.
2. If ACM is present and the proposed rehabilitation activities will disturb the materials or they are already friable, the client and the contractor(s) bidding on the work must be notified of its presence. In the proposal, plans must include how the abatement of ACM is to be done, property safeguards proposed, a requirement to use certified asbestos workers/supervisor and a proper disposal plan. If contractors cannot provide evidence that they and their employees have received proper training and certification for the abatement of ACM, they cannot perform the work. Training and certification requirements are available from DHS, Division of Health.
3. The client retains ownership of all ACM including disposed at a proper landfill. Therefore, all test results, manifests, etc. and other documentation must be provided to the client, with copies retained by the grantee.

## **B. LEAD-BASED PAINT**

### **Introduction**

Any housing unit rehabilitated in whole or part with HOME funds must comply with the lead-based paint (LBP) requirements in Title X of the Housing and Community Development Act of 1992, as amended, Section 1012 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X Subpart J) and 24 CFR 35.

LBP hazards include:

- Deteriorated LBP: any interior or exterior LBP that is peeling, chipping, chalking, or cracking, or located on any surface or fixture that is damaged or deteriorated;
- LBP on a Friction Surface: an interior or exterior surface subject to abrasion or friction, such as painted floors and friction surfaces on windows;
- LBP on an Impact Surface: an interior or exterior surface subject to damage by repeated impacts, such as parts of door frames;
- LBP on an Accessible Surface: an interior or exterior surface accessible for a young child to mouth or chew, such as a window sill or door frame;
- Lead-Contaminated Dust: surface dust in residential dwellings that contains an area or mass concentration of lead in excess of current federal guidelines; and
- Lead-Contaminated Soil: bare soil on residential property that contains lead (often from chipping and peeling exterior paint) in excess of current federal guidelines.

The introduction of LBP in residential structures rehabilitated in whole or part with HOME funds is prohibited.

All contracts for housing rehabilitation and/or housing development must prohibit the introduction of lead-based paint. In addition, the contract between the Grantee and the Department contains lead-based paint requirements. In the

event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

All **OCCUPANTS** of housing units built prior to 1978 must be notified of the hazards of lead-based paint, of the symptoms and treatment of lead-based paint poisoning, of the need to identify lead-based paint hazards through environmental inspection and blood lead tests, and of the importance and availability of maintenance and removal techniques to eliminate such hazards. The following websites provide information to raise awareness about the continuing problem of lead-based paint poisoning:

[Protect Your Family From Lead in Your Home \(hud.gov\)](http://www.hud.gov/lead/)

<http://www.dhs.wisconsin.gov/lead/>

All occupants of units built before 1978 must be notified of the importance of monitoring and continual maintenance unless LBP has been permanently removed.

All units built prior to 1978 must be inspected for deteriorated paint. If there is deteriorated paint, this condition MUST be reflected on the HQS inspection form. All deteriorated paint must be addressed by the rehab activities. All painted and varnished surfaces must be treated as lead-based unless proven otherwise.

All federal and state laws must be followed when completing rehabilitation work where lead-based paint is known or presumed to be present. All inspection forms, the Risk Assessments or, if there is none, the Presumption Notice, must be given to the occupants.

## Process

- a. Upon receipt of the application, determine if lead might be present. It is known that many surfaces in post-1960 units do not contain lead-based paint. In fact, even some pre-1960 construction may have been completed without the use of LBP. However, LBP is still in use so be alert for deteriorated paint no matter the age of the house. Refer to the Lead-Based Paint Requirements in HOME- Assisted Housing Rehabilitation process flow diagram (Attachment 2).
- b. Provide occupants with the pamphlet, *Protect Your Family From Lead in Your Home*
- c. Children under the age of 6 may not be required to be tested for elevated levels of lead in their blood as a requirement to receive the HOME loan. It is **STRONGLY** urged that such testing take place prior to the initiation of rehab that addresses deteriorated paint or that will disturb a painted surface in a pre-1978 unit.
- d. During the Initial Inspection, the condition of painted or varnished surfaces must be noted and the existence of LBP hazards must be evaluated. Either a Risk Assessment or the Presumption of the Single Family Lead Hazard Presumption Notice (Attachment 1) should be completed.
- e. Write the Bid Specifications, making sure to identify deteriorated paint that must be corrected or work items that will break a painted surface. Determine which work items will require a lead-safe renovator or, perhaps, an abatement contractor.

- f. In general, the Standard Treatments Option is the preferred method since it allows the grantee to skip the risk assessment and presume the presence of lead-based paint. The steps are listed below:
  1. Stabilize all deteriorated paint (interior and exterior).
  2. Create smooth cleanable horizontal surfaces.
  3. Correct dust generating conditions, including friction and impact surfaces.
  4. Treat bare soil, make lead-based paint contaminated soil inaccessible.

The homeowner must be notified that the program is presuming the presence of lead-based paint. Contractors trained in lead-safe work practices must perform the work and the house must pass clearance. Each individual on the job site must take the eight-hour lead-safe renovation course and at least one person must be a Wisconsin certified lead-safe renovator.

- g. Determine whether the household should be temporarily relocated during the rehabilitation. The trained contractor being used to do the LBP related work must develop an occupancy protection plan for the project. Depending on the nature of the rehab, occupants may need to be temporarily relocated from the unit. The cost of temporary relocation is an eligible HOME project expense, but IS NOT an expense to be included in the loan to the property owner.
- h. Make sure the HOME contract includes language which will ensure that the contractor is responsible for cleaning the unit so that it will pass clearance when all work is done, and before payment is made.
- i. Make frequent site visits to ensure compliance by all contractors of the Lead-Safe Work Rules.
- j. All rehab that disturbs painted/varnished surface in a pre-1978 home funded by federal funds MUST pass clearance. Arrange for Clearance Testing, both visual and sampling as needed, before final payment is issued to the contractor.

### **Other Issues**

If the property owner, in consultation with the Grantee, feels that lead-based paint is not present in a pre-1978 unit, the option to have a paint test done by a certified risk assessor or inspector may be exercised.

- If the results of the test show that LBP IS present, the property owner must pay for the cost of the test (not to be included in the loan).
- If the results of the test show that LBP is NOT present, the test will be paid for from project costs, and not included in the project loan amount.

Risk Assessments or Lead Inspections (if necessary) and Clearance testing costs are eligible HOME expenses to be taken from the Rehabilitation project funds. The Lead Risk Assessment/Inspection testing fees must be paid as an administrative cost if the activity does not go forward.

The HHR housing program is a loan program. However, a grant to the recipient must be provided if the presence of lead-based paint is documented through a risk assessment. A grant must be made for the cost of removal and replacement or repair of components.

No lead-based paint rehabilitation costs may be granted, unless a risk assessment documenting the presence of lead-based paint is completed. All risk assessments and clearance tests must be provided as a grant to the homeowner.

If presence of asbestos hazard is documented you may provide a grant for the cost of removal under the same conditions as lead.

Other Lead-based paint web resources:

<http://www.epa.gov/lead/>

ATTACHMENT VIII-1

**SINGLE FAMILY LEAD HAZARD PRESUMPTION NOTICE §35.930(a)**

**Notice That Lead-Based Paint or Lead-Based Paint Hazards are Presumed to be Present**

Address/location of property or structure(s) to which this notice of presumption applies:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Types of Presumption (Check all that Apply)

- (a) \_\_\_\_ Lead-based paint is presumed to be present.
- (b) \_\_\_\_ Lead-based paint hazard(s) is (are) presumed to be present.

Summary of Presumption. List at least the bare soil locations, dust-lead locations, and/or building components (including room and substrate underneath the paint), and types of lead-based paint hazards presumed to be present:

Bare Soil Location	Hazard		
Lead Dust Location	Hazard		
Building Components	Location	Substrate	Hazard

For more information about the presumption

Person Who Prepared this Notice of Presumption

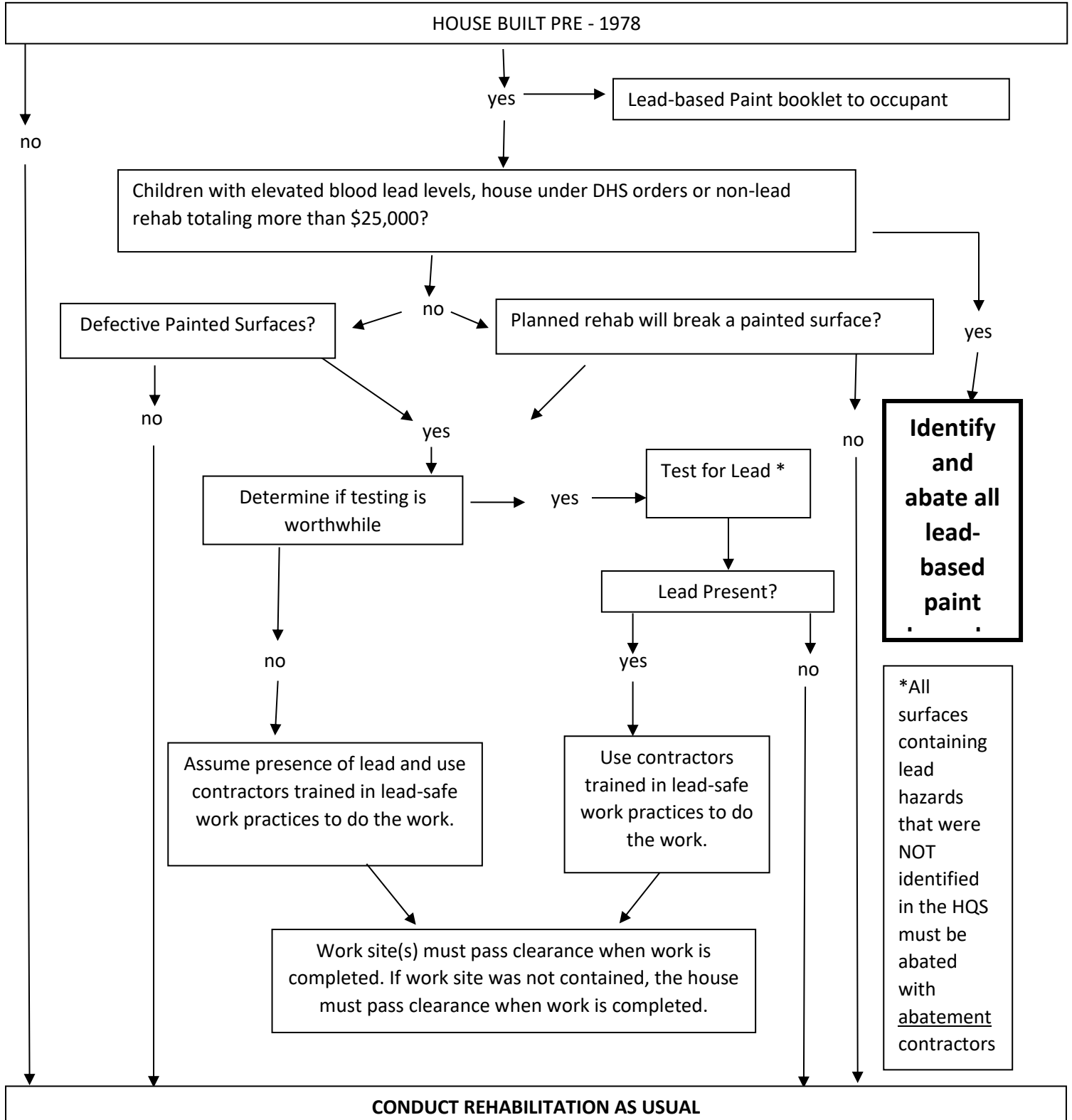
Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Street: \_\_\_\_\_  
City & State \_\_\_\_\_  
Zip \_\_\_\_\_  
Phone #: \_\_\_\_\_

Signature: \_\_\_\_\_  
Printed name: \_\_\_\_\_  
Date: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Street: \_\_\_\_\_  
City & State \_\_\_\_\_  
Zip \_\_\_\_\_  
Phone #: \_\_\_\_\_



ATTACHMENT VIII-2

LEAD-BASED PAINT REQUIREMENTS IN HOME-ASSISTED HOUSING REHABILITATION



## SECTION IX. HOME HHR INCOME GUIDELINES AND LIMITS

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## A. BACKGROUND

A fundamental component of using HOME funds is ensuring they are targeted to households that are low to moderate and very low-income. The HOME Program requires the use of specific definitions of annual income in order to determine the income eligibility of applicants to the program.

The Wisconsin HOME Program under the Division of Energy, Housing and Community Resources uses the “Part 5 annual income” definition as defined at 24 CFR 5.609.

## B. ELIGIBILITY PROGRAM REQUIREMENTS

To receive HOME assistance, households must have incomes at or below the Part 5 definition of annual income which is currently 80% of the area median income adjusted by household size. In addition, the contract between the Grantee and the Department contains eligibility requirements. In the event of conflict between the language specified in a grantee’s contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## C. GENERAL REQUIREMENTS

Certain rules and requirements apply when determining the income eligibility of applicants. These requirements include:

**Whose Income to Count:** The HOME Program regulations require that income of all related and unrelated people in the household be included in the determination of income. The Part 5 definition of annual income provides further guidance pertaining to whose income to include. Special consideration is given to income earned by the following groups of people:

**Minors:** Earned income of minors, including foster children ( $\leq 18$ ) is not counted. However, unearned income attributable to a minor (e.g. child support) is included.

**Live-in aides:** If a household includes a paid live-in aide (whether paid by the family or a social service program), the income of the live-in aide, regardless of the source, is not counted. Except under unusual circumstances, a related person does not qualify as a live-in aide.

**Temporarily absent household members:** The income of temporarily absent household members is counted regardless of the amount the absent member contributes to the household. For example, a construction worker employed at a temporary job on the other side of the state earns \$600 per week. He keeps \$200 per week for expenses and sends \$400 per week home to his family. The entire amount (\$600/week) is counted in the family’s income.

**Adult students living away from home:** If the adult student is counted as a member of the household in determining the household size, the first \$480 of the student’s income must be counted in the household’s income. NOTE: The \$480 limit does not apply to a student who is the head of household or spouse (their full income must be counted).

**Permanently absent household members:** The head of household has the choice of either: (1) counting an absent member of the household and including income attributable to that person as household income, or (2) specifying that the person is no longer a member of the household (Example: a spouse who is in a nursing home).

**Anticipating Income:** The HOME regulations at 92.203(d)(1) require that for the purpose of determining eligibility for HOME assistance, the household's income must be projected forward 12 months. To do so, a "snapshot" of the household's current circumstances is used to project future income. Grantees should assume that today's circumstances would continue for the next 12 months, unless there is verifiable evidence to the contrary.

This method should be used even when it is not clear that the type of income received currently will continue in the coming year. The exception to this rule is when documentation is provided that current circumstances are about to change.

**Verifying Income:** Grantees are required to determine income eligibility of applicants by examining two months of source documents per 24 CFR 92.203(a)(2) evidencing annual income and obtaining third-party verification (e.g., employer wage and bank statements, Social Security Administration). Applicant certification does not provide adequate source documentation for the HOME Program. An applicant's federal income tax form is not an adequate source documentation nor does it establish anticipated income.

**Timing Income Certifications:** Households must qualify as LMI at the time of occupancy or at the time HOME funds are invested, whichever is later. Agencies are not required to re-examine a household's income at the time the home assistance is provided—unless more than six months have elapsed since the household's income was certified.

**Treatment of Assets:** There is no asset limitation for participation in the HOME Program. Families are not required to "spend down" assets before they can participate. Income from assets is, however, recognized as part of annual income under the Part 5 definition. In general, an asset is cash or a non-cash item that can be converted to cash. The cash value is the market value less reasonable expenses required to convert the asset to cash. Refer to Attachment 2 for a definition of asset inclusions and exclusions.

Under the rules of Part 5, only the cash value (rather than the market value) of an item is counted as an asset. If more than one person owns an asset, grantees must prorate the asset according to the applicant's percentage of ownership.

Assets can generate income. The actual income generated by the asset (e.g., interest on a savings or checking account) is what counts, not the value of the asset. The income is counted even if the household elects not to receive it.

Income included in the annual income calculation is the income anticipated to be received from the asset during the coming 12 months.

#### D. ANNUAL INCOME AS DEFINED IN 24 CFR PART 5

The Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period. The underlined phrase in this definition is key to understanding the requirements for calculating annual income and is defined below:

- **Gross amount:** For those types of income counted, gross amounts (before any deductions have been taken) are used;
- **Income of all adult household members:** The Part 5 definition income contains “inclusions” – types of income to be counted – and “exclusions” – types of income that are not considered (for example, income of minors); and
- **Anticipated to be received:** The Part 5 annual income is used to determine eligibility and the amount of Federal assistance a family can receive. Grantees must, therefore, use a household’s expected ability to pay, rather than past earnings, when estimating housing assistance needs.

Attachment 1 (Definition of Income) defines what income is included and excluded in determining annual income.

*Income eligibility may be determined by using either the template in Attachment 3 or the HUD calculator at [www.hudexchange.info/incomecalculator](http://www.hudexchange.info/incomecalculator).*

**ATTACHMENT IX-1**  
**DEFINITION OF INCOME**

All HOME HHR grantees must use the following as the definition of income. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

**24 CFR Part 5 Subpart F Sec. 5.609 Annual income.**

**(a) Annual income means all amounts, monetary or not, which:**

- (1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
- (2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
- (3) Which are not specifically excluded in paragraph (c) of this section.
- (4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

**(b) Annual income includes, but is not limited to:**

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus

(ii) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph (b)(6)(ii) shall be the amount resulting from one application of the percentage;

(7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

**(c) Annual income does not include the following:**

(1) Income from employment of children (including foster children) under the age of 18 years;

(2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);

(3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(4) Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(5) Income of a live-in aide, as defined in Sec. 5.403;

(6) The full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8)(i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(iii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iv) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include: fire patrol, hall monitoring,

lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) For public housing only: (i) The earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable Federal, State, or local law during the exclusion period.

(ii) For purposes of this paragraph, the following definitions apply:

(A) Comparable Federal, State or local law means a program providing employment training and supportive services that:

(1) Is authorized by a Federal, State or local law;

(2) Is funded by the Federal, State or local government;

(3) Is operated or administered by a public agency; and

(4) Has as its objective to assist participants in acquiring employment skills.

(B) Exclusion period means the period during which the family member participates in a program described in this section, plus 18 months from the date the family member begins the first job acquired by the family member after completion of such program that is not funded by public housing assistance under the 1937 Act. If the family member is terminated from employment with good cause, the exclusion period shall end.

(C) Earnings and benefits mean the incremental earnings and benefits resulting from a qualifying employment training program or subsequent job;

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.



(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

**(d) For public housing only.** In addition to the exclusions from annual income covered in paragraph (c) of this section, a PHA may adopt additional exclusions for earned income pursuant to an established written policy.

(1) In establishing such a policy, a PHA must adopt one or more of the following types of earned income exclusions, including variations thereof:

(i) Exclude all or part of the family's earned income;

(ii) Apply the exclusion only to new sources of earned income or only to increases in earned income;

(iii) Apply the exclusion to the earned income of the head, the spouse, or any other family member age 18 or older;

(iv) Apply the exclusion only to the earned income of persons other than the primary earner;

(v) Apply the exclusion to applicants, newly admitted families, existing tenants, or persons joining the family;

(vi) Make the exclusion temporary or permanent, for the PHA, the family, or the affected family member;

(vii) Make the exclusion graduated, so that more earned income is excluded at first and less earned income is excluded after a period of time;

(viii) Exclude any or all of the costs that are incurred in order to go to work but are not compensated, such as the cost of special tools, equipment, or clothing;

(ix) Exclude any or all of the costs that result from earning income, such as social security taxes or other items that are withheld in payroll deductions;

(x) Exclude any portion of the earned income that is not available to meet the family's own needs, such as amounts that are paid to someone outside the family for alimony or child support; and

(xi) Exclude any portion of the earned income that is necessary to replace benefits lost because a family member becomes employed, such as amounts that the family pays for medical costs or to obtain medical insurance.

(2) Any amounts that are excluded from annual income under this paragraph (d) may not also be deducted in determining adjusted income, as defined in Sec. 5.611.

(3) Housing agencies do not need HUD approval to adopt optional earned income exclusions.

(4) In the calculation of Performance Funding System operating subsidy eligibility, housing agencies will have to absorb any loss in rental income that results from the adoption of any of the optional earned income exclusions discussed in paragraph (d)(1) of this section, including any variations of the listed options.

**(e) If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period.**

## ATTACHMENT IX-2

### PART 5 ANNUAL INCOME NET FAMILY ASSET INCLUSIONS AND EXCLUSIONS

#### Inclusions

1. Cash held in savings (current balance) or checking accounts (average 6-month balance), safe deposit boxes, etc.
2. Cash value of revocable trusts available to the applicant.
3. Equity in rental property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g., broker fees) that would be incurred in selling the asset. Under HOME, equity in the family's primary residence is not considered in the calculation of assets for owner-occupied rehabilitation projects.
4. Cash value of stocks, bonds, Treasury bills, CD's and money market accounts.
5. Individual retirement and Keogh accounts (even though withdrawal would result in a penalty).
6. Retirement and pension funds.
7. Cash value of life insurance policies available to the individual before death (e.g., surrender value of a whole life or universal life policy).
8. Personal property held as an investment such as gems, jewelry, coin collections, antique cars, etc.
9. Lump sum or one-time receipts, such as inheritances, capital gains, lottery winnings, victim's restitution, insurance settlements and amounts not intended as periodic payments.
10. Mortgages or deeds of trust held by an applicant.

#### Exclusions

1. Necessary personal property, except as noted in number 8 of Inclusions, such as clothing, furniture, cars and vehicles specially equipped for persons with disabilities.
2. Interest in Indian trust lands.
3. Assets not effectively owned by the applicant. That is, when assets are held in an individual's name, but the assets and any income they earn accrue to the benefit of someone else who is not a member of the household and that other person is responsible for income taxes incurred on income generated by the asset.
4. Equity in cooperatives in which the family lives.
5. Assets not accessible to and that provide no income for the applicant.
6. Term life insurance policies (i.e., where there is no cash value).
7. Assets that are part of an active business. "Business" does not include rental of properties that are held as an investment and not a main occupation.

**ATTACHMENT IX-3**

**SAMPLE FORMAT FOR CALCULATING PART 5 ANNUAL INCOME**

1. NAME		2. IDENTIFICATION			
<b>ASSETS</b>					
FAMILY MEMBER	ASSET DESCRIPTION	CURRENT CASH VALUE OF ASSETS		ACTUAL INCOME FROM ASSETS	
3. NET CASH VALUE OF ASSETS.....		3.			
4. TOTAL ACTUAL INCOME FROM ASSETS.....				4.	
5. IF LINE 3 IS GREATER THAN \$5,000, MULTIPLY LINE BY _____ (PASSBOOK RATE) AND ENTER RESULTS HERE; OTHERWISE, LEAVE BLANK				5.	
<b>ANTICIPATED ANNUAL INCOME</b>					
FAMILY MEMBERS	WAGES/ SALARIES	BENEFITS/ PENSIONS	PUBLIC ASSISTANCE	OTHER INCOME	ASSET INCOME
					ENTER THE GREATER OF LINES 4 OR 5 FROM ABOVE IN E.
6. TOTALS	A.	B.	C.	D.	E.
ENTER TOTAL OF ITEMS FROM 6A. THROUGH 6E. THIS IS <i>ANNUAL INCOME</i> .					7.

**SECTION X. HOME HHR SINGLE-FAMILY PROGRAM REQUIREMENTS**

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## A. Introduction

The primary purpose of the HOME Program is to provide decent, affordable housing for low-income households. This section will present an overview of the procedures and requirements that Grantees will have to follow in implementing the single-family program.

The Department of Administration, Division of Energy, Housing and Community Resources (DEHCR) will monitor the performance of grantees based upon the contents of this manual and the individual program details spelled out in the contract. DEHCR will also provide technical assistance, if needed.

The Single-Family Program funds can be used to:

- ◆ Assist low-income homeowners in the rehabilitation of their homes. Rehabilitation assistance can be used to make essential improvements. Whenever HOME funds are used for rehabilitation, the work must be performed according to DEHCR's written property standards and the assisted unit must meet applicable state or local code.

Grantees may not undertake some forms of special purpose homeowner repair programs such as: weatherization, emergency repair programs, or handicapped accessibility programs. However, this type of assistance may be undertaken if the unit meets or will be brought up to the applicable property standard.

- ◆ Create affordable homeownership opportunities by providing direct assistance to low-income households in the form of grants or loans to cover the costs of homeownership (such as down payment, closing costs). Grantees may also address issues of supply by constructing or acquiring, rehabilitating and selling single-family homes.

No assistance may be provided for purchase of property located in the 100-year floodplain, unless approved by the HHR Program Manager.

No HOME funds may be used toward the purchase of excess land. For purposes of the HHR program, excess land is defined as more than two acres. The homebuyer may contribute additional funds for purchase of excess lands.

In addition, the contract between the Grantee and the Department contains other programmatic requirements. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

## B. Compliance

### Eligible Applicants

Programs supported with HOME funds may only provide assistance to low to moderate income households. To qualify for assistance, an applicant must:

- ◆ Qualify as a low-income household; that is, have an annual (gross) income that does not exceed 80 percent of the county median income limit published by HUD. See Section IX Income Guidelines and Limits for income definitions, income limits, and determining eligibility.
- ◆ Occupy the property as the principal residence upon completion of the activity. Properties used as second homes or temporary residences are not eligible for assistance.

- ◆ Own the property under an approved form of ownership as listed below:
  1. Fee simple title - A fee simple buyer acquires ownership of the entire property, including both land and buildings. The fee simple owner has the right to possess, use and dispose of the property as s/he wishes-- sell it, give it away, lease it to others, or pass it to others upon death;
  2. 99-year lease;
  3. Condominium ownership;
  4. Own or have membership in a cooperative/mutual housing project that constitutes homeownership under state law;
  5. Life Estates; and
  6. Living Trusts.

To meet this requirement, there can be no restrictions or encumbrances that unduly restrict the marketable nature of this ownership interest.

**Note:** Land contracts are not eligible forms of ownership under the HOME program.

#### Eligible Properties and Property Standards

- ◆ Eligible Property Types:

Homeowners: Any single-family property that serves as the household's principal residence and is owned in fee simple title or a 99-year leasehold is potentially eligible. For purposes of housing located on trust or restricted Indian lands, homeownership includes leases of 50 years. Manufactured housing meets the HOME program definition of homeownership through fee simple title to the real property or title to the manufactured home.

Homebuyers: Eligible property types include any property that will serve as the purchaser's principal residence, including:

1. A single-family property (one unit);
2. A condominium unit;
3. A co-operative or mutual housing unit;
4. A manufactured home: At the time of activity completion, the manufactured housing must be connected to permanent utility hook-ups. The manufactured home must be located on land that is owned by the manufactured housing unit owner, or on land for which the manufactured housing unit owner has a lease for a period at least equal to the applicable period of affordability.

- ◆ Maximum Property Value (Purchase Price/After-Rehab Value Limit):

The value of any HOME-assisted property (land and buildings) must not exceed 95% of the median purchase price for that type of single-family housing for the area. See SECTION I HOME Program Requirements.

Maximum property values are listed on the HUD HOME Partnership website or DOA HHR webpage.

After rehab value: If rehabilitation is undertaken, an estimate of the property's value after rehabilitation must be made to document that it does not exceed the 95% limit. The after-rehabilitation value estimate should be completed prior to investment of HOME funds.

Acceptable methods for establishing the value of the property include:

- Estimate of value: An estimate of value performed by the Grantee. The activity file must contain the estimate(s) of value and document the basis for the value estimate;
- Appraisal: An appraisal performed by a licensed fee appraiser. The activity file must document the appraised value and the appraisal approach used; and
- Tax Assessments: Tax assessment of a comparable property located in the same neighborhood may be used to establish the after-rehabilitation value if the assessment is current and accurately reflects market value after rehabilitation. Assessments based on a percentage of market value may be used, if adjusted to reflect actual market value.

Acquisition only: In the case of property that does not require rehabilitation grantees should obtain a copy of the lender appraisal to establish the value of the property.

Grantees must have documentation of value in the activity file.

#### ◆ Maximum Per-Unit Subsidy Limits

HUD has established the maximum amount of HOME dollars that may be used in a single activity. Additional costs must be covered from other sources. The amount is based on the number of bedrooms in the unit. Maximum property values are listed on the HUD HOME Partnership website or DOA HHR webpage.

#### ◆ Property Standards

Acquisition only projects: The property must have a completed Housing Quality Standards (HQS) inspection and inspected the house 90 days prior to commitment of HOME funds to determine that the housing meets the standards per 24 CFR 92.251(c)(3). In addition, the property must meet applicable State and local code requirements at the time of purchase and occupancy. All HQS failed items must be brought up to DEHCR's written property standards found in Section VII. The seller may complete the repairs prior to closing. If the homebuyer is completing the repairs at his/her expense they must be completed within 6 months of closing. The activity cannot be closed until the repairs are completed.

Rehabilitation: The property must be inspected per HQS prior to providing any HOME assistance to determine



the amount of rehabilitation work needed. After completion, the property must pass final HQS inspection and meet any applicable local codes, and DEHCR's written property standards.

New Construction: For an activity involving new construction, the property must meet the State of Wisconsin Uniform Dwelling Code (UDC) and the Model Energy Code. The Model Energy Code is included in the Wisconsin UDC. Grantees should obtain a Certificate of Occupancy or similar document at the completion of construction.

### Eligible Activities

The single-family program can assist homebuyers and homeowners through the various types of activities listed:

#### **Homeowner Activities**

HOME funds may be used to assist existing homeowners with:

- ◆ Rehabilitation: Includes the alteration, improvement or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with HOME funds. Rehabilitation may include adding rooms outside the existing walls of a structure under special conditions.
- ◆ Reconstruction of owner-occupied housing units: Refers to rebuilding a structure on the same lot where housing is standing at the time of activity commitment. HOME funds may be used to build a new foundation or repair an existing foundation.

Reconstruction also includes replacing a substandard manufactured house with a new manufactured house. During reconstruction, the number of rooms per unit may change, but the number of units may not.

**NOTE:** Replacing a manufactured housing unit with a stick-built unit is considered a homebuyer activity even if the household owns the lot and existing manufactured unit.

#### **Homebuyer Activities**

- ◆ Acquisition: Grantees can help eligible homebuyers purchase affordable homes by providing down payment and closing cost assistance. For many potential homebuyers this is the biggest barrier to home ownership. While they may have a steady income that would allow them to make monthly payments, they do not have the means to save for the up-front costs of purchasing a home.

Gap financing may be used when the homebuyer has a steady income that is insufficient to cover the total monthly payment. The most efficient way to reduce the monthly payment is to reduce the principal amount that s/he must borrow.

Acquisition and Rehabilitation: Grantees can provide assistance to purchase an affordable home and then rehabilitate the substandard property. The rehab assistance is provided directly to the homebuyer after the purchase and the work must be completed within six months after purchase.

- ◆ **Development:** In areas where there is insufficient standard housing, the grantee may develop housing or may work directly with developers to construct and then **sell housing within nine months** after completion. This may be done in either of two ways:
  1. The grantee acquires and rehabilitates the substandard property and then sells it after rehabilitation to an LMI purchaser; and
  2. The grantee acquires the land and constructs a new home on the site.

All new single-family housing being constructed in whole or in part with HOME funds must be “visitable.” Visitability features include: (1) wide entry door, (2) a half bath/powder room on the main floor, (3) one zero-step entrance, (4) all main floor interior doors with 32” of clear space.

**NOTE:** New construction may be built to Wisconsin Energy Star standards.

All development projects require that all underwriting and subsidy and layering requirements be met prior to starting the project. Requirements include financing, schedule, developer experience and capacity and marketing/sales plan. The construction/development plan must be submitted to DEHCR for approval.

### Forms of Financial Assistance

There are a number of ways to provide HOME assistance. Regardless of the type of assistance, grantees may choose to finance all of the cost or only a portion of the cost:

3. **Below market rate loans:** These are amortizing loans. Repayment is expected on a regular basis, usually monthly, so that over a fixed period of time, all of the principal and interest is repaid. Such loans often have very low interest rates to make monthly payments affordable to the borrower. The property is used as collateral.
4. **Deferred payment loans:** Deferred loans can be structured in many different ways. They can be forgivable or repayable. If forgivable, the forgiveness may be structured to occur at one point in time (such as at the end of the affordability period) or forgiven incrementally (such as forgiving an equal portion over each year of the affordability period). If repayable, repayment may be required at the sale or transfer of the property, when the residence no longer serves as the borrower’s principal residence, or at the end of a fixed period of time. These loans can accrue interest or be non-interest bearing. The property is used as collateral.

**NOTE:** All mortgage/promissory notes should contain language basing the recapture amount on the net proceeds available from the sale or transfer of ownership interest.

5. **Grants:** may be used for homeowner rehabilitation programs to provide the deep subsidy required by low-income participants. Homebuyer acquisition assistance may be given as a “grant” but the property must be deed restricted (only sell to another low-income family) for the period of affordability.

### Eligible Housing Costs

Eligible costs depend on the nature of the program activity. A definition of administrative vs. project costs is found at Section IV. This is a general listing of eligible project costs:

- ◆ New construction: Any project that includes the addition of dwelling units outside the existing wall of a structure is considered new construction. HOME funds may also be used for new construction of single-family housing.
- ◆ Rehabilitation: Includes the alteration, improvement or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with HOME funds. Rehabilitation may include adding rooms outside the existing walls of a structure, but adding a housing unit is considered new construction.
- ◆ Reconstruction is considered a rehabilitation activity. Reconstruction refers to rebuilding a structure on the same lot where housing is standing at the time of project commitment.
- ◆ Conversion: Conversion of an existing structure from another use to affordable single-family housing is usually classified as rehabilitation. Conversion of a structure to commercial use is prohibited.
- ◆ Site improvements: Site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements (sidewalks, utility connections, sewer and water lines) where none are present. They are essential to development or repair of existing improvements. Off-site infrastructure is not eligible as a HOME expense, but may be eligible for match credit.
- ◆ Acquisition of property: Acquisition of existing standard property (land and improvements), or substandard property in need of rehabilitation, is eligible as part of a homebuyer program.
- ◆ Acquisition of vacant land: HOME funds may be used for acquisition of vacant land only if construction will begin on a HOME homebuyer project within 12 months of purchase. Land banking is prohibited.
- ◆ Relocation costs: The Uniform Relocation Act and Section 104(d) (also known as the Barney Frank Amendments) apply to all assisted properties. Both permanent and temporary relocation assistance are eligible costs. Information on Temporary Relocation is found in Chapter II.

### Underwriting

The underwriting analysis must be complete before commitment of HOME funds to the project per 24 CFR 92.254 (f). The following items must be included to ensure the homebuyer can afford to maintain and stay in the home during the affordability period:

1. Costs are reasonable and amount of homebuyer assistance is appropriate
2. Overall debt of household
3. Monthly expenses
4. Assets available to help acquire the house
5. Financial resources to sustain ownership

Attachment X-1 is the template for the Homebuyer underwriting/affordability calculation.

### Subsidy and Layering

If the grantee develops or acquires and rehabilitates a home then the following additional requirements must also be followed:

- Examine all uses of project funding to determine costs are eligible and reasonable;
- Assess developer/organization experience and capacity including staff, contractors and financial resources;
- Define all housing specifications including the square footage, numbers of bedrooms, number of bathrooms; and
- Establish a marketing plan to sell the house including comparable sales and assessing the current market demand in the area in which the project will be located.

Long-Term Affordability for Homebuyer Activities

The HOME program sets affordability periods that relate to the resale of the property. These periods are based on the amount of HOME funds provided for the property.

◆ Period of Affordability

HOME-assisted homebuyer properties must remain affordable for a specific period of time, based on the total HOME investment. The total HOME investment includes: all funds invested for direct acquisition, construction or development contributions to the homebuyer, soft costs, project delivery costs, gap financing, and interest rate buy-downs.

HOME Affordability Periods	
HOME Investment	Affordability Period
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
\$40,000 or more	15 years

◆ Recapture and Resale Options

Certain restrictions must be placed on assisted homebuyer properties in order to help preserve affordable housing. If ownership of a property is transferred during the affordability period, these provisions are triggered.

Some definitions (in order to discuss the two options it helps to understand several terms):

Direct assistance: Direct subsidy/assistance to the homebuyer is the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. The direct subsidy includes down payment, closing costs, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price.

Development subsidy: A development subsidy is the difference between the cost to develop housing and the fair market price. For example, a grantee might provide a \$50,000 construction loan to a developer. The appraised value after construction will be \$45,000 because of neighborhood and market conditions. The \$5,000 difference between the \$45,000 sale price and \$50,000 construction loan is not repaid to the grantee and represents a development subsidy provided to the developer. While the subsidy does not go directly to the homebuyer, it helps make development of an affordable home feasible.

Since development subsidies are not subject to recapture, projects consisting of development subsidies only, with no direct subsidy to the homebuyer, must use the resale provision.

Net proceeds: The net proceeds of a sale are the sales price minus closing costs and any non-HOME loan repayments.

Grantees have two options to ensure that the HOME subsidy originally invested in the property is used to preserve affordable housing:

**Recapture**: These provisions apply when direct assistance is provided to the homebuyer. Recapture is a mechanism to recapture all or a portion of the direct HOME assistance if the recipient decides to sell the house within the affordability period at whatever price the market will bear. Under this option, the grantee may require the homebuyer to repay all of the HOME assistance received or may forgive part or all of the assistance over the term of the affordability period.

The amount of repayment required and method of calculating the amount of repayment (if only partial repayment is required) must be clearly outlined in the written agreement with the homebuyer.

Forgiveness must be tied to the length of time the homebuyer has occupied the home in relation to the period of affordability (i.e., the grantee would forgive 50% of the assistance amount for an owner who sold the home half-way through the period of affordability).

Net proceeds: When the net proceeds are not sufficient to repay the direct HOME assistance and the homebuyer's investment, the net proceeds may be shared in either of two ways:

1. Recapture may be based on the ratio of the HOME assistance to the sum of the homeowner's investment (down payment and any capital improvement investment made by the owner since purchase), plus the HOME subsidy:  
$$[\text{HOME } \$ / (\text{HOME } \$ + \text{Homeowner Investment})] \times \text{Net Proceeds} = \text{Recapture.}$$
2. The homeowner's investment may be repaid in full before any HOME funds are recaptured. The grantee may choose to use the available proceeds from the resale to repay the homeowner's investment first. The HOME assistance is then repaid to the extent that proceeds are available.

**Resale:** This option ensures that the HOME-assisted property remains affordable for the entire period of affordability. If the unit is sold during the period of affordability, the sale must meet the following criteria: The new purchaser must be LMI and occupy the property as the family's principal residence. The sales price must be "affordable" to the new purchaser. Affordable is defined by the grantee. Many times affordable is defined as a maximum percentage of the purchaser's income that can be used to pay the fixed costs of owning a home (i.e., loan payment of principal and interest, taxes and insurance--PITI.)

Grantees must use deed restrictions or land covenants to enforce the resale restrictions.

DOA requires that the recapture method be used to enforce affordability. If no direct assistance is provided to the homebuyer then resale must be used.

In addition, the title must be transferred to the homebuyer within six months of the written agreement per 24 CFR 92.2(2) (commit to a specific local project).

### Subsidy Layering

Occasionally, an activity requires additional funds, or funds from multiple sources, to be completed. DEHCR allows the subsidy layering of other federal funds in the production of affordable housing opportunities. (See 24 CFR 92.250 and Notice CPD 98-01). When additional funds are needed to complete an activity, the grantee should follow these steps in deciding how to financially package the activity:

1. Reduce costs wherever possible and identify non-HOME resources to fill any subsidy gaps. Using non-federal dollars in an activity is one of the major goals of the HOME program, and the use of non-federal dollars may provide a source of match. Other federal funds (e.g., CDBG) may be used, but may not be counted as match.
2. Where two HOME grantees are working on an activity together, only one of the grantees should put its HOME funds into the activity, and request a Waiver of Maximum Assistance from the HOME Program Manager for that particular activity. Having one grantee take the financing "lead" eliminates double paperwork, counting, and tracking at the local, state, and federal level.
3. As a last option, where it is in the best interest of the client, the grantee, and/or the State to provide HOME dollars from two HOME grantees, a Multiple Grantees for HOME Funding Waiver Request form must be submitted and signed by the parties authorized to sign contracts. The waiver will include a detailed activity description, and the reason that such an exception should be granted.

Where two grantees are putting funds into one project, only one grantee will be permitted to claim the activity toward its contract goals. Each grantee will need to set up its own activity, and will be held responsible for providing DEHCR with the proper information to eliminate potential double counting. All documents from each grantee, with respect to the common activity, must be consistent with each other.

### Written Agreement

A written agreement between the homebuyer or homeowner and grantee is required to ensure the homebuyer/homeowner understands the essential program requirements. It must be completed and then submitted along with the activity set-up report per 24 CFR 92.502(b).

The Homebuyer agreement must be signed and dated by the grantee and homebuyer and include the following:

1. Purchase price to ensure compliance with purchase price limit per 24 CFR 92.254(a)(2)(i)
2. Principal residence during period of affordability
3. Amount and form of assistance (including rehabilitation if necessary)
4. Recapture provisions
5. Date by which housing must be acquired
6. Address or legal description of the property, and
7. Affordability period applicable to the property

Attachment X-2 is the form for the Homebuyer Written Agreement requirement.

The Homeowner agreement must be signed and dated by the grantee and homeowner and include the following:

1. Amount and form of assistance
2. Rehabilitation work to be done
3. Date for completion
4. Property standards
5. Amendment if scope of work changes

Attachment X-3 is the form for the Homebuyer Written Agreement requirement.

### **C. Administration/Recordkeeping:**

As a grantee, you must establish a filing system for your grant. The file system should include the following:

- ◆ Application file: Application file, amendments and revisions (if any), correspondence about the application.
- ◆ Contract file: Award letter, original signed contract plus any amendments.
- ◆ Equal Opportunity and Fair Housing file: See Section II for record keeping requirements.
- ◆ Procurement File: Must contain written local procurement procedures for securing good and services. When securing consultant services for administration or for audits, there must be a clear and accurate description of the technical requirements for the service to be performed. The “cost plus a percentage of cost” or “percentage of construction cost” methods of contracting shall not be used.
- ◆ Financial Management file: Must include payroll information for all staff whose salary is paid in whole or in part with HOME funds, receipts for all purchases made with HOME administrative funds. If administrative funds are used to pay rent, telephone, copying, or any other overhead charges, records must document those payments and the grantee’s allocation policy must be available for review. A record of all fees collected as part of the administration of the program and the expenditure of those dollars must be maintained. Finally, all program income must be tracked.
- ◆ Individual project files: Individual homebuyer and owner-occupied rehabilitation activity files should contain a complete record of all project activities. The type of documentation which must appear in every individual homebuyer file includes:

- Homebuyer written agreement;
- Homeowner written agreement;
- Completed and signed application;
- Release of information form;
- Verification of income and calculation of eligibility;
- Proof of homeownership (rehab);
- Proof of homebuyer education;
- Affordability/underwriting calculation;
- HQS Inspection;
- Statutory checklist;
- Correspondence with DHIR Environmental Desk (if applicable);
- Relocation Notice (If applicable);
- Risk assessment and clearance testing;
- Work write-up/specifications and cost estimate;
- Estimate of after rehab value;
- Contractor bids for work;
- Copy of signed contract(s) between homebuyer and contractor;
- Request for Payment for each payment signed by homebuyer, contractor, and inspector;
- Contractor lien waiver
- Change Order signed by homebuyer, contractor, and inspector (if applicable);
- Mortgage;
- Promissory Note detailing repayment requirements and principal residency requirements;
- Truth-in-lending form. Form must include disclosure of any fees charged against the loan (inspection, clearance testing, recording mortgage);
- Right of Rescission (not applicable to acquisition-only activities);
- Proof of buyer cash contribution;
- Homeowner's insurance policy (grantee added as a mortgagee);
- Documentation of Activity-related soft cost;
- Activity set-up form;



- Completion form;
- Match work sheet(s); and,
- Clearance test (for rehab in pre-1978 homes).

If only acquisition assistance is being provided there must be a completed HQS inspection form in the file. None of the bidding and contracting information would be required.

- ◆ Acquisition file: If land or improved property is being acquired by a Grantee a separate file shall be established showing Federal and State acquisition requirements were followed.
- ◆ Housing Assistance Applications:

All applications for assistance with HOME funds must include at a minimum:

- Applicant’s name and address;
- Occupant’s name and address;
- Number of children in the household and their ages;
- Marital property statement: “No provision of a marital property agreement (including a Statutory Individual Property Agreement pursuant to Sec. 766.587, Wis. Stats.), unilateral statement classifying income from separate property under Sec. 766.59, or court decree under Sec. 766.70 adversely affects the creditor unless the creditor is furnished with a copy of the document prior to the credit transaction or has actual knowledge of its adverse provisions at the time the obligation is incurred;”
- ◆ Racial, ethnic, and gender characteristics of the head of household – or option not to answer; and,
- ◆ Conflict of Interest questions

Grantees may also include requests for information on income and current employment. If the grantee is including a **release of information** statement as part of the application, have the applicant sign or initial that statement separately to acknowledge that they have read and understand that information will be requested on sources of income.

The Grantee will maintain a record of **all applicants for and beneficiaries** of HOME funds.

- ◆ Local Housing Policies: Grantees must have written local policies addressing:

**Subordination:**

The Grantee may elect to subordinate its home mortgage to another lender under the following conditions:

1. The funds resulting from the subordination will be used to:
  - Refinance an existing mortgage to obtain a reduced interest rate;
  - Refinance an existing mortgage to obtain a comparable interest rate and extended payment terms;

- Obtain a home equity loan for the sole purpose of rehabilitating their primary residence;
  - Refinance an existing mortgage as necessary to halt foreclosure proceedings by a bank or to halt tax deed proceedings by the county; or
  - Obtain a home equity loan to pay for medical emergencies.
2. The Grantee will not consider requests to subordinate for “cash to homeowner” transactions. Subordination will not be awarded if it places the Grantee’s security interest in jeopardy, as determined by standard underwriting practice, unless required to halt foreclosure or tax deed proceedings or to assist with medical emergencies.
  3. Homeowners who anticipate refinancing an existing loan and request that the Grantee subordinate its mortgage position, must submit in writing the following information:
    - The reason for the subordination request;
    - The name, address, and contact person(s) at the cooperating financial institution;
    - The new mortgage amount that would take precedence over the grantee’s mortgage, including monthly payment and interest rate; and
  4. Copies of estimates for any rehab/construction work being completed.
  5. The subordination agreements must be drafted at the homeowner’s expense by the cooperating financial institution or legal counsel; and,
  6. The conditions for subordination must be included in the Grantee’s Housing Procedures.

**Grievance procedures:**

All applicants for HOME assistance must be notified in writing of their right to appeal. Grantees must have in place an appeal policy stating:

- ◆ Agency staff person appeals should be directed to--name, address, phone number;
- ◆ The appeal must be in writing;
- ◆ Must include the name of the housing program;
- ◆ Short summary of why the person is appealing the decision;
- ◆ Time period for filing (e.g., appeal must be filed within 15 days of receipt of denial by agency); and
- ◆ Time period in which agency will respond to appeal (e.g., HOME grant administrator will review the decision and respond within 30 days).

**Amount of assistance provided to a beneficiary:** HOME activity must be for a minimum of \$1,000. Grantee should also state maximum amount of assistance that will be provided. The Grantee is expected to evaluate each activity in

accordance with program guidelines prior to committing HOME Homebuyer funds. Grantees will not invest any more funds in combination with other assistance than is absolutely necessary to provide affordable housing.

Prior to providing assistance grantees must also determine the value of the property and after all rehabilitation has been completed. The value of the improved property cannot exceed the HUD Maximum Purchase Price or After Rehab Value Limits found in Section I.

**Forms of assistance provided:** Grantee policy should clearly state the terms of the assistance (interest rate, term for loans) and type of assistance (down payment, rehabilitation).

**Homebuyer cash contribution:** Applicants receiving homebuyer acquisition assistance must provide a cash contribution from the buyer's resources. The minimum cash contribution is: \$500 for buyers at  $\leq 50\%$  CMI; \$1,000 for buyers 51-80% CMI. Grantees may establish a higher homebuyer contribution level.

In addition, the contract between the Grantee and the Department contains information relative to the requirements discussed in this chapter. In the event of conflict between the language specified in a grantee's contract and this handbook or other supporting documents, the provisions in the contract shall take precedence.

**Attachment X-1**

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**Client Name**

**Address**

**MORTGAGE AFFORDABILITY CALCULATION**

**HOUSE PAYMENT RATIO**

(Principal, Interest, Taxes, Household Insurance, Mortgage Insurance, Condo Fees)

<b>TOTAL GROSS MONTHLY HOUSEHOLD INCOME</b>	\$
<b>% OF GROSS INCOME AVAILABLE FOR HOUSE PAYMENT</b>	<b>X .30</b>
<b>MAXIMUM AVAILABLE FOR MONTHLY HOUSE PAYMENT (PITI) (1)</b>	

**TOTAL DEBT RATIO**

(House Payment plus all other debt payment such as credit card and auto loan payments)

<b>TOTAL GROSS MONTHLY HOUSEHOLD INCOME</b>	\$
<b>% OF GROSS INCOME AVAILABLE FOR TOTAL DEBT PAYMENT</b>	<b>X .40</b>
<b>MAXIMUM AVAILABLE FOR MONTHLY DEBT PAYMENT INCLUDING HOUSE PAYMENT (PITI)</b>	
<b>SUBTRACT MONTHLY DEBT PAYMENTS (credit cards, auto loans, unsecured loans, etc.)</b>	-
<b>MAXIMUM AVAILABLE FOR MONTHLY HOUSE PAYMENT (PITI) (2)</b>	\$

### MAXIMUM LOAN PAYMENT

<b>CHOOSE THE LOWER OF (1) OR (2) / HOUSE PAYMENT (PITI) (3)</b>	\$
<b>% OF HOUSE PAYMENT AVAILABLE FOR MONTHLY MORTGAGE LOAN PAYMENT</b>	X .75
<b>MAXIMUM MONTHLY LOAN PAYMENT (P&amp;I) (1)</b>	

Divide the MAXIMUM AMOUNT FOR LOAN PAYMENT (P&I) (4) by the factor in the chart below that represents the current home loan interest rate.

INTEREST RATE	30 YEAR P&I FACTOR	INTEREST RATE	30 YEAR P&I FACTOR
2.0	.00370	6.0	.00600
2.5	.00395	6.5	.00632
3.0	.00422	7.0	.00665
3.5	.00449	7.5	.00699
4.0	.00477	8.0	.00734
4.5	.00507	8.5	.00769
5.0	.00537	9.0	.00805
5.5	.00568	9.5	.00841

<b>MAXIMUM MONTHLY LOAN PAYMENT</b>	<b>P&amp;I FACTOR (Divided By)</b>	<b>MAXIMUM LOAN AMOUNT</b>
\$	/ .	\$

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**Staff Name**

**Date Completed**

ATTACHMENT X-2

STATE OF WISCONSIN  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
HOMEBUYER ASSISTANCE AGREEMENT

**THIS HOMEBUYER ASSISTANCE AGREEMENT** (“Agreement”) is made and entered into by and between **[GRANTEE name]** (“Grantee”), and **[Homebuyer name]** (“Homebuyer”), for purposes of specifying the terms and conditions applicable to the homebuying assistance provided by Grantee to Homebuyer (“Assistance”) through the HOME Investment Partnerships Program (“HOME Program”), administered by the U.S. Department of Housing and Urban Development pursuant to Title 24, Part 92, of the Code of Federal Regulations.

**WHEREAS**, Homebuyer wishes to purchase a single-family home at **[address]** (“Assisted Property”); and

**WHEREAS**, the Assisted Property meets all requirements of the HOME Program; and

**WHEREAS**, Homebuyer meets all eligibility and underwriting criteria to qualify for Assistance under the terms and conditions of the HOME Program.

**NOW THEREFORE**, Grantee and Homebuyer agree as follows:

1. **Purchase Price.** The Assisted Property is modest housing that qualifies as affordable housing under 24 C.F.R. § 92.254(a). The purchase price for the Assisted Property is \$**[purchase price]**, which does not exceed 95 percent of the median purchase price for the area, calculated as \$**[median purchase price]** as of the date of this Agreement, as described by 24 C.F.R. § 92.254(a)(2)(iii).
2. **Principal Residence.** Homebuyer’s family qualifies as a low-income family, and the Assisted Property will become the principal residence of Homebuyer, as described by 24 C.F.R. § 92.254(a)(3).
3. **Amount and Form of Assistance.**
  - a. Assistance shall take the form of a **[interest rate]**% interest, **[forgivable/deferred]** loan in the amount of **[principal amount]** (“Assisted Loan”) for down payment assistance and any reasonable closing costs and prepaid expenses necessary to close on the purchase of the Assisted Property.
  - b. If the homebuyer assistance will include rehabilitation work, the additional assistance shall be included in the (“Assisted Loan”) in the estimated amount of **[amount]** for rehabilitation of the Assisted Property to meet HOME program requirements.
  - c. The terms of this Agreement and the Assisted Loan terms will be secured by a Wisconsin real estate mortgage and recorded as a lien on the Assisted Property.
  - d. The structure of the Assisted Loan and other loan terms shall be set forth in separate documentation (such as the Truth-in-Lending Disclosure Statement).
4. **Period of Affordability.** The period of affordability (“Affordability Period”) with respect to Homebuyer’s acquisition of the Assisted Property is **[years]** years. Homebuyer must comply with the terms of this Agreement for the entire Affordability Period, as further described by federal regulations at 24 C.F.R. § 92.254(a)(4).
5. **Acquisition Date.** The Assisted Property must be acquired by the Homebuyer and the property title transferred to the Homebuyer within six months of this written agreement.

**6. Recapture.**

a. The Assisted Loan, or any unforgiven remainder balance of the Assisted Loan amount, will become due and payable if Homebuyer is in violation of any one, or combination of any one or more, of the following conditions:

- (1) title to, or equitable ownership in the Assisted Property, is transferred to any other party, except that the Assisted Property is not considered transferred if it is inherited by a surviving spouse of Homebuyer and said spouse continues to occupy the Assisted Property for the remaining term of the Assisted Loan;
- (2) the Assisted Property ceases to be the principal residence of Homebuyer during the Affordability Period; or
- (3) Homebuyer, or a surviving spouse of Homebuyer inheriting the Assisted Property, defaults in meeting any of the terms and conditions of the Assisted Loan.

In the event of a foreclosure on the Assisted Property, the amount subject to recapture pursuant to the HOME Program regulations is the balance of the Assisted Loan or the amount available for payment under applicable regulations, whichever is less.

b. The recapture provisions of the HOME Program regulations will apply to the Assistance provided pursuant to this Agreement, in accordance with 24 C.F.R. § 92.503(b), in the event that:

- (1) the Assisted Property ceases to be the principal residence of Homebuyer during the Affordability Period;
- (2) Homebuyer, or a surviving spouse of Homebuyer inheriting the Assisted Property, defaults in meeting any of the terms and conditions of the Assisted Loan; or
- (3) repayment of the HOME Program investment is required by any other provision of federal regulations governing the HOME Program during the Affordability Period.

**IN WITNESS WHEREOF**, Grantee and Homebuyer have fully executed this Agreement as of the later of the parties' signatures below.

**HOMEBUYER**

**GRANTEE**

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

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

**NAME:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

ATTACHMENT X-3

STATE OF WISCONSIN  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
HOMEOWNER REHABILITATION ASSISTANCE AGREEMENT

**THIS HOMEOWNER REHABILITATION ASSISTANCE AGREEMENT** (“Agreement”) is made and entered into by and between **[GRANTEE name]** (“Grantee”), and **[Homeowner name]** (“Homeowner”), for purposes of specifying the terms and conditions applicable to the homeowner rehabilitation assistance provided by Grantee to Homeowner (“Assistance”) through the HOME Investment Partnerships Program (“HOME Program”), administered by the U.S. Department of Housing and Urban Development pursuant to Title 24, Part 92, of the Code of Federal Regulations.

**WHEREAS**, Homeowner wishes to rehab a single-family home (“Assisted Property”) as described in Exhibit A; and

**WHEREAS**, Homeowner meets all eligibility and underwriting criteria to qualify for Assistance under the terms and conditions of the HOME Program.

**NOW THEREFORE**, Grantee and Homeowner agree as follows:

1. **After rehabilitation Value.** The Assisted Property is modest housing that qualifies as affordable housing under 24 C.F.R. § 92.254(b). The estimated value for the Assisted Property after rehabilitation is **[\$after rehab price]**, which does not exceed 95 percent of the median purchase price for the area, calculated as **[\$median purchase price]** as of the date of this Agreement, as described by 24 C.F.R. § 92.254(b)(1).
2. **Principal Residence.** Homeowner’s family qualifies as a low-income family, and the Assisted Property is the principal residence of Homeowner, as described by 24 C.F.R. § 92.254(b)(2).
3. **Amount and Form of Assistance.** Assistance shall take the form of a **[grant or forgivable/deferred loan]** in the amount of **[principal amount]** for rehabilitation of the Assisted Property.
4. **If Forgivable or Deferred Loan (“Assisted Loan”)**
  - e. Assisted Loan will be at a **[interest rate]**% interest rate.
  - f. The terms of this Agreement and the Assisted Loan terms will be secured by a Wisconsin real estate mortgage and recorded as a lien on the Assisted Property.
  - g. The structure of the Assisted Loan and other loan terms shall be set forth in separate documentation (such as the Truth-in-Lending Disclosure Statement).



**IN WITNESS WHEREOF**, Grantee and Homeowner have fully executed this Agreement as of the later of the parties' signatures below.

**HOMEOWNER**

**GRANTEE**

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

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

**NAME:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**EXHIBIT A**

**HOMEOWNER REHABILITATION AGREEMENT**

BENEFICIARY FULL NAME(S): \_\_\_\_\_

PROJECT ADDRESS: \_\_\_\_\_

TYPE OF PROJECT:

1. Rehabilitation of existing structure: \_\_\_\_\_

2. Rehabilitation of reconstruction: \_\_\_\_\_

NAME OF GENERAL CONTRACTOR: \_\_\_\_\_

PROJECT TIMELINE:

1. Project Start Date: \_\_\_\_\_

2. Estimated Project Completion Date: \_\_\_\_\_

PROJECT BUDGET: \_\_\_\_\_

SCOPE OF WORK: (See final work write-up/specs and accepted bid document)

The above referenced HOME project must meet all the State and local housing quality standards and code requirements and/or the State of Wisconsin HOME INVESTMENT PARTNERSHIP ACT minimum housing rehabilitation standards once rehabilitation or reconstruction is complete.

**EXHIBIT B**

**HOMEOWNER REHABILITATION AGREEMENT AMENDMENT**

An amendment is required if the original scope of work changes.

NEW PROJECT TIMELINE:

1. CHANGE IN SCOPE OF WORK DATE \_\_\_\_\_
2. Estimated Project Completion Date: \_\_\_\_\_

NEW PROJECT BUDGET: \_\_\_\_\_

CHANGE IN SCOPE OF WORK: (See revised work write-up/specs/change order)

The above referenced HOME project work write-up/change order must meet all the State and local housing quality standards and code requirements and/or the State of Wisconsin HOME INVESTMENT PARTNERSHIP ACT minimum housing rehabilitation standards once rehabilitation or reconstruction is complete.

**HOMEOWNER**

**GRANTEE**

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

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

**NAME:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_