

HOME
Policies
and
Procedures



Davis
C O U N T Y

Approved 02/18/2025

This document is intended to provide general guidance for Davis County and its subrecipients in managing the administration of Home Investment Partnerships Program (HOME) funds and carrying out HOME-funded projects. To ensure the most up-to-date federal guidance and best practices are followed, these policies and procedures will be updated as necessary to facilitate high quality, compliance, and efficiency in utilizing HOME funds. It should be noted that this document should not take the place of referencing specific federal laws and regulations for a more detailed explanation of the HOME program and its requirements.

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Acronyms and Abbreviations

CAPER	Consolidated Annual Performance and Evaluation Report
CDBG	Community Development Block Grant
CED	Community & Economic Development Department
CENST	Categorically Excluded Not Subject to 58.5
CEST	Categorically Excluded Subject to 58.5
CFR	Code of Federal Regulations
CHDO	Community Housing Development Organization
DCHC	Davis County HOME Consortium
EA	Environmental Assessment
EIS	Environmental Impact Statement
ERR	Environmental Review Record
FONSI	Finding of No Significant Impact
HEROS	HUD Environmental Review Online System
HOME	HOME Investment Partnerships Program
HUD	U.S. Department of Housing and Urban Development
IDIS	Integrated Disbursement and Information System
IT	Information technology
NOI	Notice of Intent
NOFA	Notice of Funding Availability
OMB	Office of Management and Budget
PII	Personal Identifiable Information
ROF	Release of Funds
RROF	Request for Release of Funds
SSBG	Social Services Block Grant
SSN	Social Security Number
USC	United States Code
VAWA	Violence Against Women Act

Section 1. Application, Eligibility & Funding Determination Process

1.1 Introduction

Davis County participates in federal grant programs through the U.S. Department of Housing and Urban Development (HUD) to promote affordable housing and community development. Davis County became a Community Development Block Grant (CDBG) entitlement community in 2010 and a HOME Investment Partnerships Program (HOME) participating jurisdiction in 2024.

Beginning in 2024 Davis County has been part of a HOME Consortium, currently The Davis County HOME Consortium is an inter-jurisdictional partnership between Clearfield City, Layton City, and the Urban County (Davis County). Clearfield and Layton receive their own CDBG entitlement allocations and Davis County is a qualified Urban County also receiving CDBG funding. All jurisdictions within Davis County, which have entered into an Interlocal Agreement to receive CDBG funding through Davis County, are also eligible to benefit from HOME funds. As Lead Entity, Davis County is the Participating Jurisdiction (PJ) and administers its HOME entitlement allocation pooled with the Davis County HOME Consortium (DCHC).

The purpose of this document is to provide guidance to Davis County and its subrecipients regarding:

- Awarding HOME funds to eligible activities that:
 - Meet the established priorities and criteria set forth by the policies and procedures herein as they relate to affordable housing initiatives;
- Properly classifying and determining the eligibility of such activities and;
- Retaining adequate documentation for each activity per the regulations as outlined in *24 CFR §92.508*.

As the direct recipient of the funds from HUD, Davis County is responsible for ensuring all relevant requirements are met.

This document will be updated as necessary to ensure the most up-to-date federal regulations and guidance are followed. This document provides an overview of the HOME program as it pertains to Davis County, as well as relevant county-specific policies and procedures. It does not take the place of referencing specific federal laws and regulations for detailed explanations of the HOME program and its requirements.

Program Year Timeline

The Davis County HOME program year runs annually from July 1 to June 30. Davis County's primary tasks and milestones that fall within each program year are outlined in Table 1.

Table 1. Program Year Timeline*

Month	Activity
November	Application/NOFA Public Notice (30-day)
December	<u>Mandatory</u> Pre-Application Meeting
January/February	HOME Application Open
March	Application Deadline
March	Application Review
April	Annual Action Plan Public Notice (30-day Notice)
May	Annual Action Plan Public Hearing
May	Annual Action Plan Submittal (HUD)
June	Environmental Reviews Complete
June	Subrecipient Agreements
July	Final Billings and Annual Report Due (Previous Years Grant)
August	CAPER Public Notice (15-day notice)
September	CAPER Submittal

*Program year is July 1 – June 30.

1.2 Application Process

The application process begins with a published Notice of Funding Availability (NOFA) to the [Davis County Website](#), public buildings, local newspaper, and the [State public notice website](#). The notice allows HOME-eligible entities or agencies¹ the opportunity to submit an application to Davis County for HOME grant funds.

A mandatory pre-application workshop is held in December. This workshop assists potential subrecipients and the County to work together in meeting program goals and understanding HUD requirements when utilizing HOME funds in their communities.

¹ HOME eligible entities or agencies”, means for purposes herein, government entities/agencies, public entities/agencies, private developers, and IRS designated non-profit,(501(c)3), entities serving low and moderate income residents of Davis County, including but not limited to, participating cities within Davis County, including Davis County’s offices, and departments, non-profit and special service districts who serve low and moderate income residents of Davis County.

Davis County requires a letter of intent (LOI) with a program/project budget as part of the pre-application process; interested applicants provide a one-page synopsis of high-level project/activity and detailed budget information to the County. This preliminary step helps determine if the applicant will meet the necessary requirements for HOME eligibility and funding.

As shown in Table 1, applications will open in January for eligible entities or agencies to apply for HOME funds for the upcoming program year. The application process for the upcoming program year(s) is conducted online using Neighborly.

Public notices are submitted to local newspapers, public buildings, the Davis County Website, and the State public notice website to provide notification that applications are available, and indicate how to obtain and submit applications and the types of projects/programs that are eligible to receive HOME funds. All notices are posted at least thirty (30) days in advance of the HOME application deadline.

Applications are only accepted online through Neighborly. The specific time and due date are included in all advertised information. New or revised applications are only accepted during the thirty (30) day application window; no applications are accepted after the submission date. All applications are accepted electronically and are time-stamped to ensure they are submitted within the allowable window. **No mailed or hand delivered applications will be considered.**

National Objectives

The HOME Program was established in 1992, and is authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended. HOME is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing. The national objectives of the program are:

- Provide decent, affordable housing for low-income households
- Develop the capacity of nonprofit housing agencies to address the housing needs of low-income households
- Provide funding for state and local governments to address low-income housing needs
- Leverage private sector participation

HOME can only fund housing-related activities. All HOME-assisted units must provide housing for households with incomes of less than 80% of the area median income (AMI), and for certain activities, a portion of the funds must provide housing for households with less than 50% of the AMI.

Eligible Activities

The primary goal of the HOME program is to create affordable housing for low-income households. HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program's flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

In general, basic HOME-eligible activities include the following:

- Homeowner (owner-occupied) rehabilitation
- Rental housing acquisition, new construction, or rehabilitation
- Homebuyer housing acquisition, new construction, or rehabilitation, including direct assistance to eligible homebuyers to purchase the housing
- Tenant-based rental assistance (rental subsidy)

In addition, there are types of activities that are generally ineligible and include the following:

- Project reserve accounts/operating subsidies
- Rental assistance for existing Section 8 housing
- Assistance to a project previously assisted with HOME funds
- Acquisition of property owned by the PJ (excluding property acquired by the PJ with HOME funds) and delinquent taxes, fees, or other charges for the PJ
- Costs that are not directly allocable to HOME- and HTF-assisted housing, such as commercial space in a mixed-use development or market rate housing units in a mixed-income housing development.

Eligible Applicants

Public agencies, nonprofit organizations, and for-profit entities are all eligible to apply for HOME funds. Fund recipients are classified into one of three categories:

- Subrecipients: A subrecipient is a public agency or nonprofit housing service provider selected by Davis County to administer HOME-assisted projects or programs.
- Developers, Owners, Sponsors: For-profit entities, housing authorities, nonprofit organizations, and CHDOs can receive HOME funds in the roles of developers, owners, and sponsors of eligible activities.
- Community Housing Development Organizations (CHDO): A CHDO is a private nonprofit organization which meets certain specific criteria, including having 1) IRS tax exempt status, 2) a mission/purpose related to housing and service to a low-income community, and 3) a board composition which includes one-third low-income residents or their representatives.

Priority Activities

Although HOME provides the flexibility to participate in a variety of affordable housing activities, Davis County has identified key initiatives that are to be prioritized in the review of funding applications. Projects/programs that are not limited to a specific site shall be made available throughout all of Davis County. Additionally, priority shall be given to projects with longer periods of affordability. The prioritized initiatives are as follows:

1. Re-syndication and/or preservation of expiring deed restricted multi-family projects
2. New construction of deed restricted multi-family and single family affordable housing units
 - a. Single family projects must construct a minimum of 15 homes
3. Property acquisition for the purpose of constructing affordable multi-family and single family housing units
 - a. Single family projects must construct a minimum of 15 homes

4. Rehabilitation/conversion of existing buildings for affordable multi-family housing
5. Project based vouchers for the subsidization of rents for multi-family housing projects
6. Direct homebuyer assistance
7. Homeowner (owner-occupied) rehabilitation
8. Tenant based rental assistance (TBRA)

After applications are received, the County determines and documents if and how each proposed activity meets one of the National Objectives. Any activity that fails to meet a logical, documented connection to a National Objective is ineligible for HOME funding and will be removed from further consideration. Any applicants and/or applications found to be non-compliant with HOME regulations, or found to be ineligible for funds for other reasons, are informed via emailed letter from the County after the application review is complete.

Copies of the Neighborly applications and notices of eligibility/ineligibility are documented and kept as electronic files at the County.

Subsidy Limits and Allocation Requirements

HOME funded projects include a minimum HOME investment and maximum HOME subsidy limit per project, established in 24 CFR 92.205(c) and 92.250.

- The minimum HOME investment in rental housing or homeownership is \$1,000 times the number of HOME-assisted units.
- The maximum per-unit HOME investment may not exceed the per-unit dollar limitations established under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C.17151(d)(3)(ii)) for elevator-type projects that apply to the area in which the housing is located (this figure is updated annually). These limits are available from the Colorado HUD Field Office by contacting 303-672-5395. The County will keep the results of its required evaluation in each project file.

For all HOME applications Davis County requires a \$100,000 minimum funding request. The DCHC Review Committee may consider multi-year projects of sufficient scope and size that are of appropriate benefit to the community and meet a qualifying National Objective.

The County reserves the right to consider and/or reject requests from any agency requesting funds for multiple activities in one program year. For the County to determine if it is appropriate to fund an activity, the agency must be able to demonstrate the following to the County, to meet eligibility:

1. Submit a program/project budget with a detailed budget narrative
2. Identify the population served
 - a. Identify how the population served will be tracked demonstrating that National Objectives are being met
3. Demonstrate the need for the activity
 - a. The activity must have identifiable outcomes that meet County goals
4. Capacity to carry out activities per the agreement and within the contracted period

Similarly, HOME funds obligated for planning and administration activities in each program year may not exceed 10% of the total entitlement grant for that program year plus the program income received during that program year. HOME also requires a 15% funding set-aside designated to support Community Housing Development Organizations (CHDO'S).

Matching Funding Requirements

Davis County is required to document a minimum 25% annual matching contribution to HOME funding. Matching contributions can include private, in-kind donations or state funds from sources, such as the Utah State Housing Trust Fund or Low-Income Housing Tax Credits. Additional sources include the Affordable Housing funds (HB2060), Homeless Housing funds (HB2163), Community Services Block Grant (CSBG), as well as various foundation grants and awards. The Community Development Block Grant (CDBG) does not qualify as a matching contribution to HOME. The DCHC Review Committee takes into consideration factors such as the amount of matching funds as part of the review process.

1.3 Application and Eligibility Determination & Review Criteria

Applications are reviewed by County staff and consultants for eligibility in the HOME program. Various characteristics of the proposed project or activity are analyzed to determine eligibility and to help identify which applicants will receive awards.

Ranking criteria and funding priorities are based on current community needs. Therefore, this criterion may be updated annually and presented during the funding application process. However, each project is generally assessed based on the criteria below. The specific questions and scoring are outlined in the annual application guidelines that are available online at the County's website and are updated annually.

- Projects that create permanent affordable housing
- Impact a significant number and/or percentage of low- and moderate-income persons
- Meet the Strategic Plan Objectives provided in the Consolidated Plan
- Have adequate community support, and support an identified community need
- Maximize the use of outside funds, match and services which are coordinated with other public and private efforts
- Established means for program evaluation and accomplishment tracking
- Are clearly defined as to scope, location, need, budget, goals
- Demonstrate the applicant has the capacity and the capability to carry out the project successfully
- Establish connection with employment in the community
- Ability to begin and finish within the contracted time

If the project is located outside Davis County's jurisdiction, the County undertakes additional analysis to determine if:

- 1) The activity provides reasonable benefits to Davis County residents; and
- 2) The activity is necessary to further Davis County's affordable housing objectives.

The basis for this determination is documented prior to awarding HOME funds, and includes identifying the number of Davis County residents served in relation to the total number of clients served to ensure that the portion of the total project cost funded through the County would be proportionate to the number of Davis County residents served compared to the total number of clients served.

In addition, the County documents if and how the activity is necessary to further the purposes of the County's affordable housing objectives, including the following:

- How does the activity meet or support the goals identified in the 5-year Consolidated Plan?
- Does the activity support any broader objectives to enhance the County's affordable housing efforts?
- Are these needs currently being met through other means within Davis County?
- Are there other resources within the jurisdiction that could meet these needs?

Scoring

- Each application is reviewed by CED staff to calculate the objective scores. These scores are related to costs and matching funds. Application scoring will be provided by CED staff to the DCHC Review Committee for their review and recommendation of funding.
- Applications are scored against an evaluation matrix included in Appendix A. The Matrix includes 5 scoring criteria as follows:
 - Adherence to activities deemed a priority
 - Quality of applicants
 - Civic engagement
 - Project impact on affordable housing
 - Viability and justification of the project
- The application review is completed by the DCHC Review Committee, which is composed of Consortium members and, if applicable, community representatives.
- The applications are scored and then prioritized and provided to the County Commission for final approval.

Review Committee

The DCHC Review Committee is composed of five (5) persons, but no more than seven (7). The Committee shall include a Davis County Commissioner, the Layton City Mayor, or their designee, the Clearfield City Mayor, or their designee, one representative from the Davis County Community and Economic Development Department, and a community housing advocate, with only representatives from Clearfield City, Layton City, and Davis County serving as voting members. The

Committee has the authority to recommend up to two (2) additional non-voting members via majority vote; additional Committee members must be knowledgeable on matters related to housing or the community.

The DCHC Review Committee will adhere to the application scoring matrix and priority initiatives in reviewing applications for funding, and will only recommend funding for the highest scoring applications. This should ultimately minimize disputes and conflicts from arising. However, disputes arising between Consortium Members regarding direction, policy, or procedure shall be resolved by the Committee. Should the Committee be unable to agree upon the resolution, it should be referred to the Legislative body of Davis County for resolution.

The DCHC Review Committee meets annually in February/March timeframe to review, discuss and make funding recommendations for HOME fund applications. The Committee may meet during the year to discuss policy and make recommendations on policy/funding changes to the County Commission. The DCHC Review Committee maintains full discretion in recommending projects for County Commission review and approval.

Section 2. Funding Award & Financial Management

2.1 Funding Determination and Notice of Award Funding Determination

The County reviews each application against the criteria listed in Section 1.3, specifically ensuring that a National Objective is met and that the project is aligned with the goals and objectives outlined in the adopted Consolidated Plan.

CED staff shall compile a summary of the eligible applications into a staff report on each HOME application for the DCHC Review Committee. The DCHC Review Committee meets to review current programs funded, submits questions to CED staff, and to make funding recommendations. The applications and funding recommendations will then be presented to the County Commission for review and approval as part of the Annual Action Plan process. In addition, the DCHC Review Committee may take this opportunity to ask questions about specific applicants and/or applications.

In February/March, the DCHC Review Committee makes the final funding recommendations. Because the recommendations are typically made before budget appropriations are granted, language is incorporated into the letters stating that the allocations are based on the County's allocation amount from the previous year, and if there is a change to the HOME allocation, each program will see either an increase or decrease in their funding proportionate to the final allocation. The DCHC Review Committee recommendations are compiled by CED and included in the upcoming program year's Annual Action Plan for County Commission review.

In April, a public notice advertising the funding recommendations and requesting public comments on the Annual Action Plan is posted in the local newspaper, County website, and the [State public notice website](#). The notice indicates the thirty (30) day duration of the comment period, and provides the contact information to provide written comments.

A public hearing is held before the County Commission, with the opportunity for public comment regarding any of the proposed activities/projects. A public hearing notice is submitted to the local newspapers, public notices are posted on the [Davis County Website](#), and to the [State public notice website](#). The public notice is advertised thirty (30) days before the public hearing, and includes all eligible projects that have requested funds, the date and time for the public hearing, and information about how and when to submit written comments.

Notice of Award

In April/May, each applicant is notified by the County of approval of HOME funding, the allocation amount, and documentation needed to move forward with the agreement process. Agreement periods generally run for the term of the program year and expire on June 30 of the following year.

2.2 Financial Management Overview

Agencies who receive HOME federal funds must establish and maintain a financial system that meets the minimum federal requirement for financial management. Records must be reliable and up-to-date and are subject to review upon request. The financial system must be flexible enough to accommodate applicable laws and regulations, and yet also conform to *generally accepted accounting principles* (GAAP). Public agencies must maintain their accounting records in a manner consistent with the Budgeting, Accounting, Reporting System for Counties and Cities, and Other Local Governments (BARS) or equivalent accounting method.

In general, a financial system must:

- Provide effective control over and accountability for all funds, property, and other assets.
- Identify the source and application of funds for federally funded activities, including verification of the “reasonableness, allowability, and allocability” of costs and that no funds have been used in violation of any restriction or prohibition.
- Report accurate and complete disclosure of financial results in a timely manner.
- Develop board approved financial policies; a list of required policies is included in the *Funding Award* section.

Financial Records

Financial record management will be particularly important as the reimbursement requests and monitoring’s are conducted. Appropriate financial documentation should include:

Accounting Records:

- Cash Receipts Record: Receipts for all funds used for program activities, including local, state, and federal alternative funds, must be kept on record. The record must include the date funds were received, the amount of funds received, the source of the funds, and the accounts into which funds were assigned.
- Cash Disbursement Record: Any and all checks issued for payment of program costs must be maintained within the Cash Disbursement Record. The record must include the payment date, the payee, the check number, the amount and the account from which the disbursement was made.
- General Ledger: This Ledger is meant to summarize cash receipts and disbursements on a sub-account basis. All entries to the General Ledger must be made from the Cash Receipts and Cash Disbursements Journal.
- Other relevant files including: a chart of accounts, payroll journals, payable and receivable ledgers, and job cost journals (*if involved in construction*).

Source Documentation: Up-to-date files of original source documentation (*e.g. receipts, invoices, canceled checks, etc.*) for all financial transactions, including those involving obligations incurred and the use of HOME program income, should be filed in the agency’s database or server for future use or reference.

Budget Controls and Reporting Documents: Subrecipients must maintain an up-to-date budget for all funded activities while regularly comparing their progress toward the achievement of goals and

the rate of expenditure of program funds. Agencies should be able to provide accurate, current, and complete disclosure of financial results.

SAM Registration and Debarment Policy and Procedure

1. Purpose.

All entities, except for individual persons, that apply for or receive awards of HOME funds from Davis County or that receive subawards directly from subrecipients of those awards must have and maintain an active SAM (www.sam.gov) registration until closeout of their program or project.

- A. All types of business entity formations, including sole proprietorships and non-profit organizations, are considered entities under the federal regulations and must be registered in SAM
- B. Entities applying for HOME funds must provide the following to the County to be eligible for HOME funding:
 - i. UEI
 - ii. CAGE Code
- C. Davis County will verify all subrecipients currently have an active SAM account with corresponding CAGE Code/ UEI number upon registration through Neighborly.

2. Registration Requirements for Entities.

- A. All units of general local government and non-profit organizations that receive awards from Davis County to carry out HOME programs or projects must have active SAM registrations.
 - i. SAM registration needs to be renewed annually;
 - ii. Grantees and subrecipients need to maintain their registrations before they expire and/or lapse, as their programs and projects are ineligible for HOME funding without active registrations.
- B. Procurement contracts with program and project administrators, design and engineering firms, construction contractors and subcontractors, and the like are not considered subawards, and entities providing those services need to be registered with SAM.gov.

3. Debarment

- A. Businesses and individuals that have been excluded for egregious offenses ranging from national security violations to tax fraud are improperly receiving federal contracts and other funds.
- B. The General Services Administration (GSA), a federal agency, is required by the Federal Acquisition Regulation (FAR) to compile and maintain a list of parties debarred, suspended, or disqualified by federal agencies. Contractors as well as recipients of federal financial assistance must be registered at Sam.gov. To determine if a proposed contractor is debarred, Davis County and all subrecipients must check the [federal SAM database](#).
- C. **Active registration in SAM is required to submit an application as a subrecipient or contractor and for Davis County to make a payment utilizing HUD funding.** In addition to checking the name of the contracting firm, the name of the president and

owner of the firm must also be checked. Staff should also review any state and local debarment lists. **Website printouts must be placed in the file.**

- D. Per the SAM User Guide, the **No Active Exclusions field on the SAM Entity summary indicates whether the entity has a current debarment.** SAM.gov will check the exclusions list for the UEI number of your entity and indicate whether any exclusion records exist. If an active exclusion record exists for your entity, this question will default to “Yes,” meaning that the contractor is debarred. No Record Found means that the entity is not registered or has let its registration lapse. Davis County will ensure that the email address is current in SAM.gov so that when automated reminders are sent to renew registration each year that this reminder does not go into spam due to an obsolete email address.
- This applies to any HOME-assisted contract at any tier in the process
 - ALL subrecipients and contractors receiving HOME funding from Davis County funds must be **checked for debarment annually** and before the execution of a contract. The entity listing in SAM must show “No Active Exclusions.”
 - No funds from HOME are to be paid to entities that have been debarred or who do not do not have a record in SAM.
- E. All subrecipients must also ensure that any contractor that receives HOME funding from Davis County is listed in SAM and shows “No Active Exclusions.”

2.3 Program Income Policy & Procedure

Overview

Program income is defined in 2 CFR 200.80 as gross income earned by the subrecipient that is directly generated by a federally sponsor-supported activity or earned as a direct result of a federal sponsored project during the period of performance.

Policy & Procedure

Each subrecipient is responsible for ensuring that any program income related to the HOME funded sponsored project is identified and tracked according to the Federal requirements (identified above) and this policy.

- A. Program Income (24 CFR 92.503). The County may reuse any revenue generated from projects undertaken with HOME funding towards other eligible activities within the “urban county,” (i.e., Davis County). Furthermore, any program income earned by a subrecipient, with prior approval by Davis County, may be retained by the subrecipient provided that the income is treated as additional HOME funds and thus subject to all applicable Federal and local requirements.
- B. Sources of Program Income. The County HOME program may allow subrecipients to retain program income from housing rehabilitation and homebuyer assistance activities; provided the same activities that generated the income(s) are continued. The County’s agreement with subrecipients will stipulate whether program income can be retained. Other eligible program

income producing activities, not stipulated within the County Agreement, must return program income to the County.

- C. Maximum Returned. Subrecipients must expend all program income funds prior to requesting regular HOME program funds from the County. Generally, the County allows an accumulation of up to \$35,000 in any subrecipient's program income account. If an extended period of time elapses between when utilizations are made for this purpose, the account may be allowed to increase beyond this limit. The amount of program income retained and the process/timing for returning the program to the County will be stipulated within the County Agreement with the subrecipient.
 - a. The County requires that a current bank statement and/or accounting documentation showing the program income account be submitted with each annual request for funds. Separate accounts may be necessary to simplify subrecipient recordkeeping. All such documentation is necessary for monitoring and audit by the County.

Section 3. Project Requirements & Operation

3.1 Introduction

Long-Term Affordability

To ensure investments provide affordable housing over the long term, rent and occupancy restrictions will continue throughout the period of affordability. Davis County will execute a promissory note and record a Deed of Trust and covenant with the Davis County Recorder to secure the property. If the affordability restriction is terminated prior to the HOME period of affordability, the funds will become subject to applicable recapture and repayment provisions.

HOME Period of Affordability

The minimum HOME Period of Affordability is dependent upon the per unit investment (outlined below), DCHC Review Committee recommendations, County Commission approval and shall be subject to a deed restriction. If the project has additional funding sources, the compliance period for those additional funding sources may be extended beyond the HOME Program's minimum requirements.

Per Unit Investment	Rental	Homeownership
<\$15,000	5 years	5 years
\$15,000 - \$40,000	10 years	10 years
>\$40,000	15 years	15 years
Refinancing of Rental Housing (with rehabilitation)	15 years	n/a
New Construction	20 years	n/a

Eligible Project Costs

Acquisition Costs

Acquisition costs include the costs of acquiring improved or unimproved real property, including, but not limited to:

- Acquisition of property: Acquisition of existing standard property that meets applicable HOME standards, or substandard property in need of rehabilitation, including the acquisition of a manufactured housing unit*
- Acquisition of vacant land: Acquisition of vacant land only if construction will begin on a HOME project within 12 months of project commitment, including the acquisition of the land upon which a manufactured housing unit will be located*

* The manufactured housing unit must, at the time of project completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner or land for which the manufactured housing owner has a lease for a period at least equal to the applicable Affordability Period

Development Hard Costs

The actual costs of constructing or rehabilitating housing are considered eligible Development Hard Costs. Examples of eligible costs include:

Acquisition

- Site improvements: Improvements to the project site (only property owned by the project owner, where the project is located) necessary to the development of the project and in keeping with improvements of surrounding, standard projects, including on-site roads, sewer lines, water lines
- Utility connections: Creation of utility connections including off-site connections from the property line to the adjacent street

New construction

- The actual cost of construction, generally
- Demolition: Demolition of existing structures (only if construction will begin on the HOME project within 12 months of project commitment)
- Site improvements
- Utility connections

Rehabilitation

- Alteration, improvement, or modification of an existing structure, including project costs to meet Davis County HOME Rehabilitation Standards, generally
- Conversion of an existing structure from another use to affordable residential housing
- Demolition
- Reconstruction: Rebuilding, on the same lot, of housing unit standing on a site at the time of project commitment
- Site improvements
- Utility connections

Project Related Soft Costs

Costs include other reasonable and necessary costs incurred by the owner and associated with the financing, or development (or both) of new construction, rehabilitation or acquisition of housing assisted with HOME funds. These costs include, but are not limited to:

- Architectural, engineering, and other related professional services
- Private lender origination fees
- Credit reports
- Fees for title evidence
- Fees for recordation and filing of legal documents
- Building permits
- Attorney fees. Shall not include legal actions against federal, state or local government entities.
- Private appraisal fees and independent cost estimate fees
- Builder or developer fees
- Costs of a project audit, including certification of costs performed by a certified public accountant that Davis County may require with respect to the development of the project
- Costs to provide information services
- Costs of Environmental Review, in accordance with 24 CFR 58, which are directly related to

the project

- Payment of impact fees that are charged for all projects within a jurisdiction

Relocation Costs

Relocation costs include the cost of relocation payments and other relocation assistance to persons displaced by the project. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket costs incurred in the temporary relocation of persons. Other relocation assistance costs include staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, such as timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling, and other assistance necessary to minimize hardship.

Costs Relating to Payment of Loans

If HOME funds are not used to directly pay an eligible project cost, they may be used to pay a construction loan, bridge financing, or guaranteed loan, upon recommendation of the DCHC Review Committee and approval by the County Commission. The HOME assistance must be part of the original financing for the project and the loan must have been used for eligible costs as specified in the HOME regulations and this manual.

RESALE AND RECAPTURE

Resale and recapture provisions apply to the use of HOME funds in homebuyer development programs. The agreement with Davis County will include resale provisions. The resale provisions are triggered by any transfer of title, either voluntary or involuntary, during the established HOME Affordability Period.

PROJECT COMPLETION DEADLINE

Typically, Davis County will execute a written agreement with the Subrecipient for the project within 12 months of July 1 of the year in which funding is awarded. The Subrecipient must typically be able to complete the project and expend all funds within two years of the execution of the written agreement. When HOME funds are expended for projects that are terminated before completion, for whatever reason, the HOME funds that have been expended are ineligible and must be repaid. Davis County must terminate any project that does not meet the HOME requirements for affordable housing (i.e., affordability provisions, income targeting, property standards, etc.) and repay HOME funds expended for the project. The County's agreement with subrecipients will identify the deadlines.

Nine-Month Sale Deadline

Any unit not sold within nine months of the completion of construction must be converted to rental housing and meet all of the requirements for HOME rental housing. HOME funds provided for any such unit that is not rented within 18 months of conversion must be repaid to Davis County.

Applicable Rental Deadlines

Rental projects must be complete, meaning 100% of HOME funds have been disbursed for the project, and the project completion information has been entered in HUD's disbursement and information system (IDIS). Completion may occur after construction is completed, but before occupancy as long as beneficiary data is provided when the units are occupied.

Within six months of project completion, the HOME-assisted units in a rental housing project must be occupied by households that are eligible as low-income families and must meet the requirements of this section to qualify as affordable housing. If eligible tenants do not occupy the housing within this timeframe, the Developer must submit marketing information and, if requested, a marketing plan.

Within 18 months of project completion, HOME funds invested in any housing unit that have not been rented to eligible tenants within this timeframe shall be repaid to Davis County and/or HUD. The tenant must have a written lease that complies with 24 CFR 92.253.

3.2 Homeownership

Homebuyer Unit Development

Eligible Activities

Eligible activities are those that support the development of affordable homes for first-time homebuyers and that address the needs identified in the Consolidated Plan, including:

- **Acquisition:** Acquiring property for the purposes of developing first-time homebuyer units. Acquiring vacant land or demolition is allowable only for a specific affordable housing project within allowable timeframes.
- **Acquisition and rehabilitation:** Assisting a Developer to acquire and rehabilitate substandard properties to be sold after rehabilitation to low-income homebuyers.
- **New construction:** Assistance to construct affordable housing.

HOME-assisted rental units may be converted to homebuyer units with prior approval. All homebuyer requirements in 24 CFR 92.254 apply. Refusal by the tenant to purchase the housing does not constitute ground for eviction or for failure to renew the lease.

Eligible Properties

Properties that are eligible for HOME assistance include those properties that will serve as the purchaser's principal residence throughout the Affordability Period. HOME assistance may be provided for one- to four-unit dwellings, condominium units, cooperative units, and manufactured homes. Homeowners must have one of the following types of ownership of the eligible property:

- Fee simple title to the property
- Owns a condominium unit
- Maintains a 99-year leasehold interest in the property or a 50-year leasehold on a community land trust property
- Manufactured housing, including a mobile home, on ground leased for a period at least equal to the applicable Affordability Period
- Owns or has membership in a cooperative or mutual housing project that constitutes homeownership under State law

Ineligible types of ownership include a land contract, an installment contract, or a contract for deeds.

Maximum Property Value

For new construction or acquisition of standard housing, to be considered an eligible property, the property must have a purchase price that does not exceed 95% of the median purchase price for single family housing in the area.

For acquisition with rehabilitation of existing units, to be considered an eligible property, the estimated after-rehabilitation value of the property, which must be determined prior to any work being performed, must not exceed 95% of the median purchase price for the area.

HUD establishes the median purchase price limits and these limits can be found on its website. Davis County will provide current and updated limits.

Eligible Awardees

HOME funds may only be awarded to and administered by eligible entities, which include Subrecipients, and Community Housing Development Organizations (CHDOs).

Eligible Beneficiaries

Homeowner households assisted must have incomes at, or below, 80% of the area median income (AMI). Refer also to General Requirements: Project Eligibility. Income limits are established by HUD and updated annually. Davis County will provide current and updated limits.

When determining annual income for homebuyer development, income must be calculated in accordance with adjusted gross income as defined for purposes of reporting under the Internal Revenue Service Form 1040 series for individual Federal annual income tax purposes.

The projected annual income of each prospective household must be determined initially before HOME assistance is provided. For contracts to purchase existing housing and contracts to purchase housing to be constructed, eligibility is determined at the time the HOME written agreement is entered into with the homebuyer. For any lease-purchase agreement, eligibility is determined at the time the lease purchase agreement is signed.

Acceptable income documentation is two months of source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the household. A reexamination of income does not need to occur unless more than six months have elapsed from the time of the initial determination to the provision of HOME assistance.

Direct Homebuyer Assistance

Eligible Activities

Eligible activities are those that support first-time homebuyers in acquiring affordable homes and that address the needs identified in the Consolidated Plan.

- **Acquisition:** Assisting eligible homebuyers to purchase affordable homes through down payment or closing cost assistance, reducing the monthly carrying costs of a loan from a private lender, or providing mortgages for home purchase.
- **Acquisition and rehabilitation:** Assisting eligible homebuyers to perform rehabilitation after purchase, often through rehabilitation loans.

Eligible Properties

Properties that are eligible for HOME assistance include those properties that will serve as the purchaser's principal residence throughout the Affordability Period. HOME assistance may be provided for one- to four-unit dwellings, condominium units, cooperative units, and manufactured homes. Homeowners must have one of the following types of ownership of the eligible property:

- Fee simple title to the property
- Owns a condominium unit
- Maintains a 99-year leasehold interest in the property or a 50-year leasehold on a community land trust property
- Manufactured housing, including a mobile home, on ground leased for a period at least equal to the applicable Affordability Period
- Owns or has membership in a cooperative or mutual housing project that constitutes homeownership under State law

Ineligible types of ownership are having a land contract, an installment contract, or a contract for deeds.

Maximum Property Value

To be considered an eligible property, the property must have a purchase price that does not exceed 95% of the median purchase price for single-family housing in the area.

HUD establishes the median purchase price limits and these limits can be found on its website. Davis County will provide current and updated limits.

Eligible Awardees

HOME funds may only be awarded to and administered by eligible entities, which include Subrecipients, and Community Housing Development Organizations (CHDOs).

Eligible Beneficiaries

Homeowner households assisted must have incomes at, or below, 80% of the area median income (AMI). Refer also to General Requirements: Project Eligibility. Income limits are established by HUD and updated annually. Davis County will provide current and updated limits.

When determining annual income for homebuyer assistance, income must be calculated in accordance with adjusted gross income as defined for purposes of reporting under the Internal Revenue Service Form 1040 series for individual Federal annual income tax purposes.

The projected annual income of each prospective household must be determined initially before HOME assistance is provided. For contracts to purchase existing housing and contracts to purchase housing to be constructed, eligibility is determined at the time the HOME written agreement is entered into with the homebuyer.

Acceptable income documentation is two months of source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the household. A reexamination of income does not need to occur unless more than six months have elapsed from

the time of the initial determination to the provision of HOME assistance.

3.3 Rental Housing

Eligible Activities

Eligible activities are those that support the development of affordable rental housing and that address the needs identified in the Consolidated Plan.

- **Acquisition:** Acquiring property for affordable rental housing. Acquiring vacant land or demolition is allowable only for a specific affordable housing project within allowable timeframes.
- **New construction:** Constructing affordable rental housing.
- **Reconstruction:** Rebuilding housing on the same lot, without increasing or decreasing the number of units, although the number of rooms may be increased or decreased. Reconstruction also includes replacing a substandard unit of manufactured housing with new or standard unit of manufactured housing.
- **Conversion:** Conversion of an existing structure to affordable housing, without adding units is considered rehabilitation. If the conversion entails adding one or more units beyond the existing walls, the project is considered new construction.
- **Rehabilitation:** Altering, improving, or modifying existing structure(s) of affordable rental housing.

Eligible Properties

Projects that are eligible for HOME assistance may be one or more building(s) on a single site or multiple sites that are under common ownership, management, and financing, as long as the project is assisted with HOME funds as a single undertaking. Eligible properties include:

- Manufactured housing
- Manufactured housing lots
- Permanent housing
- Transitional housing
- Single-room occupancy housing
- Group homes
- Elder Cottage Housing Opportunity (ECHO) units that are small free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings

Ineligible properties include: emergency shelters (including shelters for disaster victims), nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, halfway houses, housing for students, and dormitories (including farmworker dormitories).

Eligible Awardees

HOME funds may only be awarded/administered by eligible entities, including small-scale property owners, nonprofit housing providers, redevelopment organizations, for-profit developers, local governments, Public Housing Authorities, and Community Housing Development Organizations.

Eligible Beneficiaries

Renter households assisted must have incomes at, or below, 80% of the area median income (AMI). Refer also to General Requirements: Project Eligibility. Income limits are established by HUD and updated annually. Davis County will provide current and updated limits.

In addition, HOME funds must be invested to ensure that 90% of the units are occupied by households with incomes at or below 60% AMI, and the remainder of the units are occupied by households with incomes at or below 80% AMI. In projects with five or more HOME-assisted units, at least 20% of the HOME-assisted units must be occupied by households with incomes at or below 50% AMI. Projects must be consistent with the Consolidated Plan.

Income must be calculated in accordance with 24 CFR 5.609. The projected annual income of each homeowner must be determined initially and annually thereafter during the Affordability Period. Acceptable income documentation for the initial determination is two months of source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the household. For subsequent determinations, the following alternatives are also acceptable:

- A written statement* (and certification that the information is complete and accurate) from the household of the amount of the household's annual income and family size will be accepted. The certification must state that the household will provide source documents upon request.
- A written statement from the administrator of a government program under which the household receives benefits and which examines each year the annual income of the household.

** An owner of a multifamily project with an affordability period of 10+ years who uses this form of documentation to re-examine tenant's annual income, must examine the income of the tenant by 2 months of source documents every 6th year of the affordability period. [92.252(h)]*

Ongoing Property Standards

HOME-assisted rental housing must meet the General requirements above throughout the HOME Affordability Period, as well as the following additional requirements, to ensure the housing is maintained as decent, safe, and sanitary housing in good repair:

- Health and safety: Must be free of all health and safety defects and must immediately address life-threatening deficiencies as defined in the Davis County Housing Rehabilitation Standards
- Lead-based paint: Must meet the lead-based paint requirements at 24 CFR part 35
- Inspections: Owners of rental properties will be required to provide an Annual Owner's Certification as to the continued operations of the housing in compliance with the HOME requirements and established local standards. In addition, Davis County must conduct ongoing property inspections, in accordance with § 92.504(d). At least 20% of the HOME units will be inspected for compliance with these standards; however, 100% of units will be inspected for projects with one-to-four HOME assisted units. Davis County will perform an inspection within 12 months of project completion and every three years thereafter (until the affordability period ends). More frequent inspections may occur based on risk assessment.
- Correction of deficiencies: If Davis County identifies deficiencies, a follow-up inspection must be conducted within 12 months to ensure the deficiencies have been corrected.

However, for certain non-hazardous deficiencies, a third party may document (i.e., through a paid invoice for work order) that the deficiency has been corrected. Any deficiencies affecting health and safety must be corrected immediately. Davis County may adopt a more frequent inspection schedule for properties that have such deficiencies.

HOME RENT REQUIREMENTS

The HOME program establishes two types of rent restrictions, “High” and “Low” rents, which apply to the rent plus utilities (or the utility allowance, as applicable). The applicable maximum rents are established by HUD annually for each category. Davis County will provide current and updated maximum rents.

The owner must maintain documentation to back up rent and utility allowance calculations. If the assisted unit has multiple financing sources (e.g., HOME, Utah Housing Trust Fund, LIHTC, etc.), the most restrictive guidelines must be met for the rent and income limits. The tenant can at no time be charged more than HOME rent limits even in conjunction with another program, except where there are federal or state project-based rent subsidy programs.

High HOME Rents

- The maximum High HOME rents is the lesser of HUD-established Fair Market Rent (FMR)
 - OR
- Rent amount such that rent does not exceed 30% of the *adjusted* income of a household whose annual income equals 65% of the area median income (AMI) as determined by HUD

Low HOME Rents

- Rent amount such that rent does not exceed 30% of the *annual* income of a household whose annual income equals 50% AMI
 - OR
- Rent amount such that rent does not exceed 30% of the household’s *adjusted* income. If the unit receives federal or state project-based rental subsidy and the very low-income household pays as a contribution toward rent no more than 30% of the household’s adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the federal or state project-based rental subsidy program.
 - AND
- If the Low HOME rent is higher than the High HOME rent, Tenant pays High HOME rent (per 24 CFR 92.252(b)(1))

Annual Review of Rents

Every unit assisted with HOME funds is subject to annually updated rent limits, which are recalculated after HUD publishes updated Fair Market Rents (FMRs) and area median incomes (AMIs). Davis County will publish on its website the current HUD HOME Program Monthly Rent Limits for Low and High HOME Rents by unit size. Regardless of changes in FMRs and AMIs over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment. Davis County must review and approve (or disapprove) the rents for each HOME assisted rental project each year to ensure that they comply with the HOME limits and do not result in undue increases from the previous year.

TENANT LEASES

The tenant and the owner of rental housing must enter into a written lease agreement of not less than one year, unless a shorter period is mutually agreed upon.

The following lease provisions are explicitly prohibited; refer to 24 CFR 9.253(b) for a description of these prohibited lease provisions:

- Agreement to be sued
- Treatment of property
- Waiver of a jury trial
- Waiver of notice
- Excusing owner from responsibility
- Waiver of right to appeal court decision
- Tenant chargeable with cost of legal actions regardless of outcome
- Waiver of legal proceedings
- Mandatory supportive services (except as permitted in transitional housing projects)

VAWA Lease Provisions

Leases must incorporate the VAWA lease addendum required in accordance with 24 CFR 92.359(e).

Lease Terminations

Termination of the lease requires a 30-day notice of refusal to renew or termination of tenancy.

Owners may only refuse to renew or terminate the lease of a tenant residing in a HOME-assisted unit for good cause. Good cause is defined as:

- Repeated violation of lease terms
- Violations of federal, state or local law
- For transitional housing, completion of the tenancy period or a failure to follow any required transitional housing supportive services plan.

An increase in a tenant's income does not constitute good cause for termination of, or refusal to renew, a lease. Terminating the occupancy of a tenant whose income increases could result in creating a disincentive for tenants to increase their incomes, for fear of losing their housing.

TENANT SELECTION POLICIES

All HOME-assisted rental housing must maintain and follow a written tenant selection policy consistent with the requirements at 24 CF 92.253. The tenant selection policy must be reviewed and approved by Davis County. Any limitations on eligibility or preference for a particular segment of the population may only be included if such preferences are included in the written agreement and described in Davis County's Consolidated Plan.

3.4 Tenant Based Rental Assistance

PROGRAM ELIGIBILITY

HOME tenant-based rental assistance (TBRA) must be provided to allow individuals and families to locate permanent housing (i.e., housing that does not have a designated length of stay) of their

choice. Three key features distinguish HOME Rental Housing and HOME TBRA:

- **Eligible applicants:** TBRA assists individual households, while HOME Rental Housing subsidizes particular rental projects
- **Portability:** TBRA moves with the tenant if the tenant wishes to rent a different unit, while HOME Rental Housing assistance stays with the building(s) on a single site
- **Method of assistance:** TBRA subsidy varies depending on the tenant's income, while HOME Rental Housing subsidy is tied to the High and Low HOME Rents

Eligible Activities

Activities allowed with the use of Davis County Consortium HOME funds are activities that provide financial assistance to households to obtain and maintain permanent housing and that address the needs identified in the Consolidated Plan, to include:

- Rental assistance payments
- Security deposit payments
- Utility deposit payments (cannot stand alone; must be provided along with rental assistance and/or security deposit payments)
- Cost of inspecting units
- Cost of determining income eligibility of households

Eligible Properties

Eligible properties for HOME assistance include privately owned housing, Public Housing (including Section 811, Section 202, HOPE VI, Continuum of Care Program, and HOPWA), and housing units developed or rehabilitated with HOME assistance (per 24 CFR 92.209(c)(3)). Ineligible properties include cooperative or mutual housing units where the TBRA recipient is a resident owner, overnight or temporary shelter, and any housing unit receiving other rental assistance that already reduces the tenant's rent payment to 30% of adjusted monthly income.

Entities Eligible to Administer TBRA HOME Funds

TBRA HOME funds may be administered by Davis County, a Public Housing Authority, or other agencies with the capacity to operate TBRA.

Eligible Beneficiaries

Only eligible applicants/beneficiaries may receive TBRA assistance. The administering entity must maintain an individual file for each household served.

Income Eligibility

HOME regulations require that HOME TBRA funds benefit households with incomes at, or below, 80% of the area median income (AMI). Davis County may further restrict this in order to address priorities identified in the Consolidated Plan. Income limits are established by HUD; Davis County will provide current and updated limits.

In determining income eligibility at reexamination, the administering entity must re-verify the household size, composition, as well as income. If, at reexamination, it is determined that a tenant is

over-income, the tenant and landlord/owner must be provided with reasonable notice that assistance will be terminated.

Rental Assistance

The term of the rental assistance agreement providing HOME TBRA may not exceed 24 months, but may be renewed, subject to the availability of HOME funds. The term of the rental assistance agreement (i.e., the 24-month period) must begin on the first day of the term of the lease.

For agreements made with a property owner or manager (i.e., where the payment is made directly to the landlord), the 24-month term will end upon termination of the lease. For agreements with the tenant (i.e., where the payment is made to the tenant), the term need not end upon termination of the lease, but payments may not be made until the tenant enters into a new lease.

Rental assistance must be provided to allow individuals and families to locate housing of their choice. If the household later moves to another suitable unit, the rent assistance may be applied to the new unit. Refer to the Methods of Assistance section for rental assistance parameters. HOME TBRA may be used anywhere within the jurisdictional boundaries of Davis County.

Security Deposits and Utility Deposits

HOME TBRA may be used to pay for one-time security deposits (of an amount equal to no more than two months' rent), either with or without rental assistance, for households meeting the requirement described in the Eligible Beneficiaries section. Utility deposit assistance may only be provided to eligible households in conjunction with rental assistance or security deposit payment.

Inspection and Income Eligibility Determination Costs

HOME TBRA may be used to pay for the costs of inspecting housing occupied or to be occupied by a TBRA recipient and the costs of determining income eligibility of applicants. Costs associated with other administrative activities, such as calculating the amount of TBRA and disbursing the assistance, are not eligible costs.

PROPERTY (UNIT) STANDARDS

HUD Housing Quality Standards (HQS) will be used for clients receiving HOME TBRA. Davis County must approve the housing unit before assistance is provided on behalf of an eligible household to ensure compliance with the TBRA Property (Unit) Standards. Davis County must inspect housing units before assistance is provided and at least annually thereafter during the period of assistance to ensure that the following property (unit) standards are met. If security deposit assistance alone is provided (without rental assistance), HQS inspection is required only at the time the security deposit assistance is provided.

- Habitability Standards: Must comply with all Housing Quality Standards (HQS) at 24 CFR 982.401; if a unit initially fails HQS, the landlord/owner may be given 30 days to correct any deficiencies and Davis County must re-inspect the unit
- Occupancy Standards: The unit must have at least one bedroom or living/sleeping room for each two persons
- Rent Reasonableness: Gross rent must be within Fair Market Rent, or otherwise reasonable in

relation to other units of comparable size and amenities in the region as determined by Davis County

- Lead-based Paint Visual Assessment: Must meet the lead-based paint requirements at 24 CFR 35

METHODS OF ASSISTANCE

HOME TBRA will be provided according to the formula below:

$$\begin{aligned} & \text{Unit Rent + Utility Allowance (determined by the Rent Standard)} \\ & \text{- HOME TBRA Subsidy (not to exceed Maximum Subsidy)} \\ & \text{Tenant Portion of Rent (at least Minimum Tenant Payment)} \end{aligned}$$

Payment (Rent) Standard

The rent payment standard is based on the most current Fair Market Rent (FMR) for the applicable unit bedroom size, which is established and published by HUD. Gross rent, which is the unit's contract rent (i.e., the rent charged by the landlord/owner) plus utilities (i.e., electric, gas, water, trash), may not exceed the rent standard, unless rent reasonableness is established as described in the Property (Unit) Standards section.

Eligible Forms of Subsidy and Subsidy Limits

The rental assistance subsidy varies depending on the participant's income, which must be calculated according to 24 CFR 5.609 and 24 CFR 5.611(a). Income-eligible tenants must contribute towards the contract rent in order to receive TBRA rental assistance according to the following parameters:

- Minimum Tenant Contribution: 30% of the household monthly adjusted gross income
- Maximum TBRA Subsidy: Difference between the Rent Standard and 30% of the household monthly adjusted gross income

At no time should the rent paid by the household combined with the rental assistance payment exceed the contract rent. The model must be applied consistently to all participants.

Utility Allowances

In calculating the tenant contribution, a utility allowance must be factored into the calculation if utilities are not included in the unit rent. The utility allowance schedule established annually by Davis County must be used.

HOUSING AGREEMENTS

Tenant Leases

The tenant and the owner of rental housing must enter into a written lease agreement of not less than one year, unless a shorter period is mutually agreed upon. Davis County must review and approve all leases; if the lease is not reasonable, the County may not approve it. The County must review any rent increases by the landlord/owner. The following lease provisions are explicitly prohibited:

- Agreement by the tenant to be sued or to admit guilt, or a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- Agreement by the tenant that the owner may take, hold or sell the personal property of household members without notice to the tenant and a court decision on the rights of the

- parties (this does not apply to personal property left by the tenant after move-out);
- Agreement by the tenant not to hold the owner or its agents legally responsible for any action or failure to act, whether intentional or negligent;
 - Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant; · Agreement that the owner may evict the tenant (or other household members) without a civil court proceeding where the tenant has the right to present a defense, or before a court decision on the rights of the tenant and the owner;
 - Agreement by the tenant to waive a trial by jury;
 - Agreement by the tenant to waive the tenant's right to appeal or otherwise challenge a court decision; or
 - Agreement by the tenant to pay attorney fees or other legal costs, even if the tenant wins in court.

Termination of Tenancy

The landlord may evict the tenant following applicable state and local laws. The landlord must give the tenant at least 30 days' written notice of the termination and notify the County in writing when eviction proceedings are begun. This may be done by providing the County with a copy of the required notice to the tenant. This term must be included within the rental assistance agreement with the County.

Rental Assistance Contracts

The term of a rental assistance contract may not exceed 24 months, but may be renewed, subject to the availability of HOME funds. The term of the rental assistance contract must begin on the first day of the term of the lease.

For contracts made between the County and a property owner or manager (i.e., where the payment is made directly to the landlord), the 24-month term will end upon termination of the lease. For contracts between the County and the tenant (i.e., where the payment is made to the tenant), the term need not end upon termination of the lease, but payments may not be made until the tenant enters into a new lease.

Section 4. Subrecipient Requirements

4.1 Introduction

Detailed, timely reporting ensures HOME funds are being used appropriately in benefiting the community, and enables Davis County to verify that is the case. The subrecipient agreement between Davis County and subrecipients specifies reporting requirements (see *24 CFR 92.504(b)*), which are consistent with *2 CFR 200*, as relevant. In general, three kinds of reports are requested: information on drawdown requests, quarterly progress reports, and CAPER data.

The County works closely with subrecipients to ensure that executed HOME agreements are compliant, adhering to program requirements, and that funds are being drawn in a timely manner. If a project is not expending funds, the County provides technical assistance to the subrecipient to determine a course of action to expend the project funds. If a program does not expend its funds within the HOME program year, those funds may be recaptured by the County and reallocated to another project per the County's determination.

4.2 Subrecipient Reporting and Request for Payment

To obtain funds obligated for an approved project, Davis County requires subrecipients to submit through Neighborly the following to CED staff:

- **Financial Support Documentation:** Any and all documents that support the cost reimbursement being requested from the County should be included (e.g. payroll reports, paystubs, contractor invoices with copies of checks showing payment, etc).
- **Invoices:** Any and all labor and materials utilized for the HOME activity must be documented in an invoice to the County. The amount of grant time for activities must also be shown using a separate sheet to delineate all grant programs that the subrecipient is utilizing to pay for staff (*i.e., if staff members are paid through multiple grants to deliver programmatic activities this must be shown on a worksheet indicating hours, days and amount billed to the HOME and other funding sources*).
- **Progress Report:** When submitting an invoice, the subrecipient must have an activity/project narrative, with a demographic report submitted in Neighborly with accomplishments and a factual and complete explanation of the need for funds as represented by the Invoice. A Request for Payment will not be processed without a submitted Progress Report in Neighborly.

Drawdown Requests (Invoices)

When applicable, subrecipients should submit an invoice to the County on a quarterly basis. These quarterly reimbursement requests should include (for each activity) the amount of:

- Funds budgeted
- Funds received in drawdowns to date
- Funds obligated in most recent period and to date
- Funds expended in most recent period and to date

- Previous drawdowns requested but not yet received

Subrecipients are also requested to provide information on the financial status of the HOME project's operations. **All reimbursement requests must be submitted to the County no later than fifteen (15) days after the program year expires. The County reserves the right to refuse reimbursement until all requested documentation is submitted to verify the program is meeting National Objectives. Subrecipients will receive reimbursement after documentation is received and by the County.**

Progress Reports

Subrecipients are all required to submit quarterly and annual reports indicating the number of Davis County residents served, demographic data, and income information for each client that is served with Davis County HOME funds. These numbers must be accurate, tracked via an intake form and available to the County. **The quarterly reports are imperative to determine if the subrecipient is meeting a National Objective; funds will not be released to a subrecipient if reports are not completed.** (See Attachment 4.2 for a template for a standard Davis County quarterly report.)

Quarterly reports will be submitted using Neighborly. This provides the County a mechanism to easily track the subrecipients' progress and provides electronically generated report reminders to the subrecipient.

Davis County requires program and activity data from subrecipients in connection with Davis County's input into HUD's Integrated Disbursement and Information System (IDIS) in preparation of their CAPER, which will be submitted to HUD after the end of each program year. For some subrecipients, progress reports may sufficiently provide necessary data needs; however, others may need to supplement these through special reports which will be determined by CED staff. The County will provide the following information in IDIS and in its CAPER for each HOME-funded activity:

- The activity's name, matrix code, description, location of activity, contract and project number.
- The National Objective being met. (see 24 CFR 92.209, 24 CFR 92.252, & 24 CFR 92.254)
- The amount expended during the program year.
- The total cost of each multi-unit housing.
- Activity status and specific units of accomplishments, including compliance with the applicable National Objective, during each program year.
- The number of Davis County residents assisted with HOME funds residing in the entitlement area.

It is the responsibility of the County to collect and retain this data; however, proper reporting by subrecipients is crucial in submitting accurate and sufficient information to HUD.

4.3 Invoice Process

Subrecipients submit invoices to the County staff for reimbursement through Neighborly for approved expenses. Invoice notices are received and reviewed for compliance with the approved

scope of expenditures in the signed contract. **If the expenditures are not in the budget, or if any required documentation is missing, payment will not be made to the subrecipient.** An amendment to the contract and/or a change in funds to a program may be made, but the requested expenditures still must be eligible for HOME funds and must be approved and signed by the County Commission.

Once the invoice has been approved, the invoice is generated with supporting documentation and submitted to CED staff to create a payment voucher using County Funds. The Auditor's department then reviews the request, with the attached Neighborly Invoice, Contract number(s), budget and supporting documentation and the payment is processed. Once payment is approved, the Auditor's office processes the payment to the subrecipient.

HUD Funds are drawn only after the County has paid the subrecipient and the check/invoice has been processed. The Auditor's office then notifies CED with the confirmation (invoice/check) that payment was made to the subrecipient; CED staff then initiates an **IDIS draw to reimburse the County for the amount(s) paid to subrecipient for the budgeted HOME activities.**

CED staff will prepare the IDIS draw, including the name of the project(s), the date of the draw, the reference number, and amount drawn. After a draw is made CED staff notifies Audit staff with the IDIS Voucher number(s), the contract number(s) and project number(s). Coordination is conducted on a quarterly basis between the CED Staff conducting the drawdowns and the County Auditing Staff for reconciliation.

For year-end closeout, requests are emailed to the subrecipients for an annual performance report and for submittal of any final bills so the year-end can be closed. HOME funds do not carry over in the next fiscal year, unless specified in the contract.

4.4 Program Year Closeout

CED staff begins the subrecipient program year closeout process approximately forty-five (45) days prior to the end of the program year. A notice is sent to subrecipients with remaining HOME funds to submit any remaining reimbursement requests and documentation. **In June, the County also requires completion of an annual report form to ensure complete information is submitted in IDIS and to aid in completion of the year's CAPER.**

The approved draw initiates the HOME reimbursement. Reports PR02 and PR05 are generated from IDIS to verify the funds have been paid by HUD. Annual report data and any fund requests are verified as complete in IDIS. After verifying the completion of these items, the projects are closed out in IDIS.

HUD cash on hand report is completed quarterly, signed by the CED staff, and submitted to HUD. In the event a large construction project was undertaken during the program year, HUD Form 2516 is completed and submitted.

Subrecipients are responsible for ensuring quarterly reports and funding reimbursement requests are submitted in a timely manner throughout the year to help minimize end-of-year delays. County staff

verifies that all information needed for the annual CAPER is correct and complete. Public notice for review of the draft CAPER is posted in August, at least fifteen (15) days prior to availability of the draft CAPER. After the comment period closes, the CAPER is finalized and submitted to HUD no later than ninety (90) days after the end of the program year.

Section 5. Subrecipient Monitoring

5.1 Introduction

As stated in HOME regulations (24 CFR 92.504), it is Davis County's responsibility to ensure HOME funds are used in accordance with all program requirements, to determine the adequacy of performance under subrecipient agreements, and to take appropriate action when performance problems are identified. Davis County CED staff does so through a combination of regular onsite monitorings and year-round desk monitorings to ensure:

- Compliance with applicable federal requirements
- That performance goals are being achieved in terms of program performance, financial performance, and regulatory performance
- That performance objectives are completed on schedule and within budget
- That the project or activity also accomplishes its goal

HOME program success depends upon cooperative, problem-solving relationships between Davis County and subrecipients. Too often, program monitoring requirements and other regulations seem to set up an "us-them" adversarial situation between the monitor and the entity being reviewed, leading to "management by intimidation."

This is unnecessary and can be destructive. Monitoring that focuses largely on uncovering errors and assigning blame tends to make subrecipients defensive or resentful; it increases their resistance to taking corrective action or improving their performance. This often means that grantees spend more time "looking for mistakes" and less time solving problems. It can also mean that subrecipients spend more energy hiding problems, than finding solutions. It is far better to fix the problem than to fix the blame. Subrecipients are partners.

An effective service and support strategy also requires open and consistent communication. It begins with a complete understanding of the County's objectives, what subrecipients want to achieve and what the rules of the program are. It ends with recognition for achievement and acknowledgement of mistakes. A centerpiece of the management process is to remove barriers to communication.

Successful subrecipient programs begin with plans that anticipate potential problems before they occur and with management strategies that emphasize prevention, not cure.

This means:

- **Pre-Award Screening, Risk Assessment, and Orientation**
Implementing strong subrecipient screening, risk assessment, selection, and orientation procedures (before awarding funds);
- **Strong Written Agreements**
Negotiating a consistent and thorough **award agreement** with every subrecipient;
- **Performance Standards**
Establishing a clear and coherent set of **performance standards** for tracking the accomplishment of each activity described in the agreement.

Performance standards define how progress will be measured, accomplishments rewarded, and (by implication) when and how sanctions may be imposed. With clear agreements and appropriate performance standards monitoring will be less burdensome and more effective for achieving both performance objectives and regulatory compliance.

5.2 Risk Assessment and Scheduling

Monitorings are an ongoing process and vary in frequency depending on the characteristics of each HOME activity and project. Onsite monitorings are conducted for each subrecipient every year, or more frequently on an as-needed basis. These monitorings are scheduled at the beginning of each program year based on the subrecipient's potential level of risk.

Davis County CED staff conducts a risk assessment at the beginning of each program year to assign a level of risk to each subrecipient. This level of risk determines the frequency of monitoring conducted for each subrecipient. Subrecipients who are determined to be higher risk—based on such criteria as first-time subrecipients, previous compliance or performance problems, or those undertaking multiple or complex HOME activities within the program year—may be subject to additional monitoring within the program year.

5.3 Monitoring Process

Regular contact: email, phone calls as often as needed to ensure that projects are monitored on an ongoing basis.

Drawdown requests and Quarterly Reporting: To assure validity the County has established practices referenced in Section 4.2

Desk Audit: Include reviews of project file, progress reports, and financial information, provided by the subrecipient. If questions are raised from this type of audit or through the Risk Assessment process, additional information will be gathered and documented through phone, email and/or a site visit.

Site Visit: All active projects will receive on-site monitoring at least once during the program year.

A notification letter and email are sent to subrecipients at least two weeks prior to Davis County's visit. The notification letter includes:

- A confirmation of the dates and scope of the monitoring visit
- A description of the information that will be reviewed
- A list of people to be interviewed
- The expected duration of the monitoring visit

The onsite monitoring includes a review of all files, documenting and acquiring data during the visit per the Onsite Monitoring Visit Checklist; conducting any necessary interviews with subrecipient staff; and performing an exit interview to present tentative conclusions, request information to clarify any concerns, and suggest improvements. A copy of the Onsite Monitoring Visit Checklist and a

formal letter with final conclusions is sent to the subrecipient within thirty (30) days of the visit. This letter either commends the subrecipient on a good job or details deficiencies along with regulation citations. Recommendations or requirements for improvements are listed with any possible consequences for failure to comply within a reasonable timeframe.

The year-round desk monitorings include regular reviews of quarterly reports and reimbursement requests for every subrecipient to ensure program compliance. Any questions or issues identified through this process are documented in the subrecipient's file, and solutions are coordinated with the subrecipient as issues are identified

All projects must comply with the most restrictive of the applicable federal or state competitive procurement regulations, or costs may not be reimbursable.

Federal procurement requirements per 2 CFR 200 apply to all nonprofit organizations acting as a Subrecipient and all public entities. Owners/Sponsors/Developers are subject to federal procurement requirements. Entities are encouraged to contact CED staff if they have any questions regarding which procurement requirements will apply to their specific project.

CONFLICT OF INTEREST

The federal conflict-of-interest provisions at 2 CFR 200 prohibit any employee, officer, agent, or elected official or appointed official of the Consortium's member jurisdictions from participating in the award of funds for any activity if either a real or apparent conflict of interest exists. A conflict of interest would occur if any of covered persons had, or would be in a position, to gain a financial interest in any funded activity.

The HOME Program contains additional conflict of interest provisions (24 CFR 92.356). The additional provisions state that: anyone who has, or has had, any role related to the use of HOME funds, or has been in a position to participate in decision-making or obtain inside information cannot have or obtain a financial interest or benefit from any HOME activity or have an interest in any contract or agreement representing themselves or anyone with whom they have a business or family relationship. The prohibition applies for one year after the person leaves the position in which they had a conflict. Covered familial relationships are limited to immediate family members.

Immediate family members of an officer, employee, agent, elected or appointed official or consultant of a HOME Subrecipient are prohibited from occupying a HOME-assisted affordable housing unit in a project. The restriction on occupancy applies during the period of affordability only, and not to the entire period of ownership by the entity that received the HOME assistance.

Section 6. Community Housing Development Organizations (CHDO's)

6.1 COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

A Community Housing Development Organization (CHDO) is a private non-profit, community-based service organization that has obtained or intends to obtain staff with the capacity to develop or manage affordable housing.

To receive HOME funding under CHDO guidelines, an organization must:

- Submit a complete application with up to date supporting documentation to Davis County every year that the CHDO seeks funding
- Receive certification approval from the County
- Demonstrate a history of serving the community
- Document that at least one-third of its governing board is composed of residents of low income neighborhoods or elected representative of low-income neighborhood organizations

Per HOME regulations funding is set aside for CHDO use as follows:

- 15% of total HOME funding allocation is reserved for CHDOs to develop, sponsor or own housing (Up to 10% of this 15% may be used for project specific assistance; see additional information at Title 24 Section 92.301)
- Up to 5% of the total HOME funding allocation can be used directly for operating expenses for a CHDO per fiscal year, contingent upon the CHDO entering an agreement to use HOME funds to develop, sponsor or own housing within 24 months

At no time, in any fiscal year, may a CHDO receive more than 50 percent or \$50,000, whichever is greater, of the organization's total operating expenses from a combination of HOME resources.

Requirements for CHDO Certification

To become a certified CHDO, HUD requires the following eleven (11) criteria:

- 1. Organized Under State/Local Law:** A nonprofit organization must show evidence in its Articles of Incorporation that it is organized under state or local law.
- 2. Nonprofit Status:** The organization must be conditionally designated or have a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986. A 501(c) certificate from the IRS must evidence the ruling.
- 3. Purpose or Mission:** Among its primary purposes, the organization must have the provision of providing housing that is affordable to low- and moderate-income people. This must be evidenced by a statement in the organization's Articles of Incorporation and/or Bylaws.
- 4. Board Structure:** The board of directors must be organized to contain no more than one third

representation from the public sector and a minimum of one-third representation from the low-income community.

5. Prohibition of For-Profit Control: The organization may not be controlled by, nor receive directions from, individuals or entities seeking profit from or that will derive direct benefit from the organization.

6. No Individual Benefit: No part of a CHDO's net earnings (profits) may benefit any members, founders, contributors, or individuals. This requirement must also be evidenced in the organization's Articles of Incorporation.

7. Clearly Defined Service Area: The organization must have a clearly defined geographic service area outlined in its Articles of Incorporation and/or Bylaws. CHDOs may serve individual neighborhoods or large areas. However, while the organization may include an entire community in their service area (such as a city, town, village, county, or multi-county area), they may not include their entire state.

8. Low-Income Advisory Process: A formal process must be developed and implemented for low-income program beneficiaries and low-income residents of the CHDO's service area to advise the CHDO in all its decisions regarding the design, location, development and management of affordable housing projects.

9. Capacity/Experience: The key staff and board of directors must have demonstrated experience and capacity to carry out HOME-assisted projects in its service area. At least one paid staff member must have demonstrated development experience.

10. Community Service: Organizations applying for CHDO certification must have a minimum of one year of related experience serving the community where it intends to develop affordable housing.

11. Financial Accountability Standards: The organization must meet and adhere to the financial accountability standards as outlined in 2 C.F.R. Part 200 and §92.300(f), "Standards for Financial Management Systems."

Section 7. Citizen Participation Plan

Davis County must develop and follow a Citizen Participation Plan to receive federal funds for the HOME program. Davis County's Citizen Participation Plan encourages citizen participation, outlines the public's involvement in the five-year Consolidated Plan process, the Annual Action Plan, each year's CAPER and any amendments to the Consolidated Plan, its Annual Action Plans, or CAPER. The Citizen Participation Plan is developed as a document with the requirements set forth at *24 CFR 91.105* and is amended as needed. The Citizen Participation Plan is available on the County Website and at the CED Office during normal business hours for public viewing (*See Attachment 7.1*).

Section 8. Other Federal Requirements: Fair Housing, ADA & Lead-based Paint

8.1 General Responsibilities

The HOME program triggers several additional federal “cross-cutting” requirements that affect HOME projects. These requirements include:

1. Environmental Review
2. Fair Housing
3. Handicapped Accessibility (Americans with Disabilities Act or ADA)
4. Lead-based Paint (applies to residential housing projects/programs)

Summary information about compliance with each of these requirements can be found in this chapter. In order to assure compliance with these requirements, the HOME agreements entered into for each project spell out several duties and obligations of the project owner with respect to federal regulations.

8.2 Environmental Review

This section provides the Davis County guidance on conducting and documenting environmental reviews in compliance with 24 CFR 58. An environmental review is required for every HUD-assisted project to certify that the grant recipient has met its responsibilities with respect to environmental protection—that services will not negatively affect the surrounding environment and that the site itself will not have adverse effects on users. When conducting any environmental review or developing an Environmental Review Record (ERR), refer to 24 CFR 58 for a detailed understanding of the environmental review process and requirements.

Completion of the environmental review process is mandatory for any activity before taking physical action on a site, or making a commitment or expenditure of HUD or non-HUD funds for property acquisition, rehabilitation, conversion, lease, repair, or construction activities. Neither Davis County nor its subrecipients is allowed to commit or spend funds on physical activities, including acquisition, until the review is complete.²

Davis County works closely with the participating cities on projects that are being funded with HOME. When applicable, the cities will conduct a joint environmental review on a single, shared project.

² *Environmental Review approval is required prior to starting any HOME project; subrecipients who begin work prior to Environmental Review will result in choice limiting actions impacting the ability of the project to draw HOME funds.*

8.3 Program Year Environmental Review Timeline

Davis County Staff conducts a high-level, cursory review of projects to identify any activities that may need more substantial environmental clearance (*i.e.*, *Environmental Assessment (EA) or greater*). The objective is to determine what environmental clearance will be needed and if that project is feasible within the terms outlined in the HOME agreement. If an organization requires an EA or Environmental Impact Statement (EIS), the applicant will be notified and a course of action will be mapped.

The timeline for more substantial environmental documentation is determined on a case-by-case basis, with the disclaimer that the applicant will not be able to draw down HOME funds until the County has completed the necessary environmental review process.

For projects that are exempt or categorically excluded, Davis County completes the following environmental review process over the course of approximately sixty (60) days (beginning in April/May):

- County Staff/consultant(s) determine level of review for each project (*confirming any preliminary environmental review determinations made during the application process*).
- County Staff/consultant(s) complete ERR for each project and create a digital copy to be kept on file.
- County Staff/consultant(s) provide final ERR to subrecipient to maintain with other HOME documentation.

8.4 Determining the Level of Environmental Review

The environmental review procedures identified in *24 CFR 58* must be completed for each activity (or project as defined in *24 CFR 58*), as applicable. Davis County assesses each activity to determine the applicable procedure that must be followed to obtain environmental clearance and/or a Request for Release of Funds (RROF).

Contracts will not be executed with subrecipients, and expenditures for County-managed projects will not be approved, until the environmental review is complete. Environmental review forms and documents must be completed and signed by the appropriate County staff.

The environmental review aids HOME recipients in developing the appropriate level of ERR that complies with federal regulations. Davis County is responsible for making a formal determination on the level of environmental review based upon the subrecipient's proposed activities and projects.

Activities fall into the following five categories, which require different levels of review, public notification, and HUD review. These classifications, relevant activities, and the appropriate process to follow for each one are included in Table 2 on page 42:

- Exempt [*see 24 CFR 58.34*]

- Categorically Excluded Subject (CEST) to 24 CFR 58.5 [see 24 CFR 53.35(a)]
- Categorically Excluded Not Subject (CENST) to 24 CFR 58.5 [see 24 CFR 58.35(b)]
- Environmental Assessment (EA) [see 24 CFR 58.36]
- Environmental Impact Statement (EIS) [see 24 CFR 58.37]

Environmental review forms for the first four categories are included as Attachments 8.1 to 8.4.

It is the policy of HUD to reject proposals that have significant adverse environmental impacts and to encourage the modification of projects in order to enhance environmental quality and minimize environmental harm. As such, if it is determined that an EIS may be required (*i.e., when an activity is determined to have a potential significant impact on the environment*), the applicant and/or subrecipient will be notified by County staff to discuss the appropriate course of action and timing.

The County will contact HUD to determine the complete required process under the following circumstances:

- Project provides a site or sites for, or results in construction of, hospitals or nursing homes containing 2,500 or more beds
- Project removes, demolishes, converts, results in construction or installation of, or substantially rehabs 2,500 or more housing units or housing sites
- Project provides additional water and sewer capacity in the county to support 2,500 or more new housing units or comparable development

Aggregating Related Activities

Regardless of the number of activities associated with a project, a single environmental review is required. Aggregating related activities ensures the recipient adequately addresses and analyzes the separate and combined impacts of a proposed project.

If relevant, Davis County will group all individual activities that will take place in order to complete the project, and will evaluate them together as a single project. This includes activities not assisted by HUD, but aggregated in accordance with 24 CFR 58.32, including activities that are:

- Related on geographic basis (site specific or functional basis [activity specific])
- Logical parts of a larger project
- Funded by several federal programs
- Partially funded with non-federal sources

When aggregating activities, the environmental review must state if the proposed activity will receive multiple year funding, identify all sources of funds, and address all aspects of the project. In addition, public notices should identify sources of all other funds.

Tiered Environmental Reviews

Per 40 CFR 1508.28, the County analyzes projects to determine if a tiered review is appropriate. To make this determination, the County considers groups of projects that would fund the same or similar activities, such as housing repair and rehabilitation activities, but where the specific sites are not yet

known. The County evaluates if the similar activities will occur within a defined local geographic area, or will occur repeatedly within a particular timeframe (*up to five years*). Once it is determined a tiered review is appropriate, the County completes both broad-level (**Tier 1**) and site-specific (**Tier 2**) reviews, as described below, before spending or committing funds on a specific site or activity.

Broad-Level (Tier 1) Review: The broad-level (Tier 1) review is conducted to identify and address issues that can be resolved on a broad level, and define the processes and standards through which the site-specific reviews will be completed. Based on the level of review, the County evaluates each of the relevant environmental laws and authorities that require compliance. If the full scope of the project including all potential activities is determined to comply with an environmental law, that specific compliance topic is documented and considered resolved at that broad level.

Where compliance cannot be determined because details are not yet known for each activity or site, the County defines a protocol for how compliance will be achieved at the site-specific level, including describing the procedures to be followed to determine compliance, mitigate impacts, etc. As is the case for other types of environmental review, the requirements depend on the level of review (see Table 2). Tiered reviews that are Categorically Excluded Subject to Section 58.5 (CEST) are most common for projects in Davis County; these reviews must include an analysis of all related laws and authorities listed in *24 CFR* 58.5 and 58.6 (see Attachment 8.3 for an example broad-level (Tier 1) CEST form).

The County provides public notice in the local newspapers, on the County's website, and on the State public notice website regarding tiered reviews. These public notices include a clear description of the project, as well as an explanation of the scope of the activities that will be covered as part of the tiered review.

Site-Specific (Tier 2) Reviews: When an individual site or activity is identified, the County completes the site-specific (Tier 2) review prior to committing HUD funds to the project. Per *40 CFR* 1508.28, the site-specific review focuses on the issues that were not resolved in the broad-level review and follows the processes established in the broad-level review.

Record Maintenance and ERR: The broad-level review and all site-specific reviews collectively make up a complete environmental review for tiered projects. The County follows the same protocol for maintenance of the ERR as is followed for other environmental reviews. Since tiered reviews are not complete without full documentation from both levels of review, the County takes special care to maintain full documentation for both levels of review within the same record.

Table 2. Levels of Environmental Review & Documentation Required in ERR

LEVEL OF ENVIRONMENTAL REVIEW				
<p>24 CFR 58.34 – Exempt</p> <p>Requires only a written determination of the exemption in the ERR.</p>	<p>24 CFR 58.35(b) – Categorically Excluded NOT Subject to 58.5</p> <p>Requires a written determination of the exclusion with documentation in the ERR.</p>	<p>24 CFR 58.35(a) – Categorically Excluded AND Subject to 58.5: “A” checked for all on statutory checklist</p> <p>Requires a written determination of the exclusion with documentation in the ERR and a complete statutory checklist.</p>	<p>24 CFR 58.35(a) -- Categorically Excluded AND Subject to 58.5: “B” checked for one or more on statutory checklist</p> <p>Requires a written determination of the exclusion with documentation in the ERR, a complete statutory checklist, 7-day Notice of Intent (NOI) to Request Release of Funds (RROF), and HUD approval.</p>	<p>24 CFR 58.36 – National Environmental Policy Act EA</p> <p>EA required for all other activities that are not considered exempt or categorically excluded and that do not require the completion of an EIS. EAs require a written determination with documentation in the ERR, a complete statutory checklist, a complete EA checklist, a complete Finding of No Significant Impact (FONSI), a 15-day combined Notice of FONSI and NOI/RROF, and HUD approval.</p>
TYPE OF ACTIVITIES				

Table 2. Levels of Environmental Review & Documentation Required in ERR

<ul style="list-style-type: none"> • Environmental and other studies • Resource identification • Development of plans and strategies • Information and financial services • Administrative and management activities • Public services (i.e., employment, crime prevention, child care, health, drug abuse, education, counseling, energy conservation, welfare, recreational needs) • Inspections and testing for hazards or defects • Purchase insurance and tools • Engineering or design costs • Technical assistance and training • Temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair, or restoration activities to control or arrest the effects from disasters or imminent threats to public safety, including those resulting from physical deterioration 	<ul style="list-style-type: none"> • Tenant-based rental assistance • Supportive services such as healthcare, housing services, permanent housing placement, daycare, nutritional services, short-term payments for rent, mortgage, or utilities, assistance in gaining access to government benefits • Operating costs including maintenance, furnishings, security, equipment, operation, supplies, utilities, staff training and recruitment • Economic development activities including equipment purchase, inventory financing, interest subsidy, operating costs, and other expenses not associated with construction or expansion • Activities to assist homeownership of existing dwelling units or units under construction, including closing costs and down payment assistance to homebuyers, interest buy-downs or other actions resulting in transfer of title • Affordable housing pre-development costs: legal consulting, developer and other site-option costs, project financing, administrative costs for loan commitments, zoning approvals, and other activities which don't have a physical impact 	<p>Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are already in place and will be retained in the same use without change in size or capacity of more than 20%, including:</p> <ul style="list-style-type: none"> • Replacement of water or sewer lines • Reconstruction of curbs and sidewalks • Repaving of streets <p>Special projects directed toward the removal of material and architectural barriers that restrict the mobility of and accessibility to the elderly and handicapped.</p> <p>Single Family Housing Rehab</p> <ul style="list-style-type: none"> • Unit density is not increased beyond 4 units • Project does not involve change in land use from residential to non-residential • The footprint of the building is not increased in a floodplain or a wetland <p>Multifamily Housing Rehab</p> <ul style="list-style-type: none"> • Unit density change is not more than 20% • Project does not involve change in land use from residential to non-residential • Cost of rehabilitation is less than 75% of the estimated cost of replacement after rehab 	<p>Activities not exempt or categorically excluded. Generally, new construction of five or more homes, and conversion from one type of land use to another.</p>
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Table 2. Levels of Environmental Review & Documentation Required in ERR

<ul style="list-style-type: none"> • Payments of principal and interest on loans or obligations guaranteed by HUD 	<ul style="list-style-type: none"> • Approval of supplemental assistance (including insurance or guarantee) to a project previously approved under Part 58, if: approval is by same the Responsible Entity, and re-evaluation is not required, per Part 58.47 	<p>Non-Residential Structures</p> <ul style="list-style-type: none"> • Facilities and improvements were in place and will not be changed in size or capacity by more than 20% • Activity does not involve change in land use from non-residential to residential, commercial to industrial, or one industrial use to another <p>Individual action (e.g., disposition, new construction, demolition, acquisition) on a one- to four-family dwelling; or individual action on five or more units scattered on sites more than 2,000 feet apart and no more than four units per site.</p> <p>Acquisition (including leasing) or disposition of, or equity loans on an existing structure or acquisition (including leasing) of vacant land provided that the structure or land acquired or disposed of will be retained for the same use.</p> <p>Combinations of the above activities.</p>	
<p>DOCUMENTATION REQUIRED IN ERR</p>			

Table 2. Levels of Environmental Review & Documentation Required in ERR

<p>Describe activity and make a written determination of exemption.</p> <p>Also, determine compliance with 24 CFR 58.6:</p> <ul style="list-style-type: none"> ● National Flood Insurance Program ● Coastal Barrier Resource Act ● Runway Clear Zones 	<p>Describe activity and make a written 58.35(b) determination.</p> <p>Also, determine compliance with 24 CFR 58.6:</p> <ul style="list-style-type: none"> ● National Flood Insurance Program ● Coastal Barrier Resource Act ● Runway Clear Zones 	<p>Complete statutory checklist (58.5) and indicate converts to exempt.</p> <p>Also, determine compliance with 24 CFR 58.6:</p> <ul style="list-style-type: none"> ● National Flood Insurance Program ● Coastal Barrier Resource Act ● Runway Clear Zones 	<p>Complete statutory checklist (58.5), NOI/RROF Notification RROF and Certification (Form 7015.15) Authority to Use Grant Funds (Form 7015.16)</p> <p>Also, determine compliance with 24 CFR 58.6:</p> <ul style="list-style-type: none"> ● National Flood Insurance Program ● Coastal Barrier Resource Act ● Runway Clear Zones 	<p>Environmental Assessment (including statutory checklist) FONSI and NOI/RROF Notification Form 7015.15 Form 7015.16</p> <p>Also, determine compliance with 24 CFR 58.6:</p> <ul style="list-style-type: none"> ● National Flood Insurance Program ● Coastal Barrier Resource Act ● Runway Clear Zones
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8.5 Preparing the Environmental Review Record

Davis County prepares and maintains a well-organized written record of environmental review for each project, **including exempt activities** such as administrative or design costs, and tenant-based rental assistance. This file is called the ERR and provides decision makers with sufficient information on which to base choices. The ERR should clearly outline the proposed action and projects and be made available for public review so that the affected community may understand the action's intent and all associated environmental concerns. A preliminary environmental review, including source documentation, must be conducted prior to contacting applicable agencies for comment. Agencies must be provided ample project information, maps, and source documentation to make determination of compliance with applicable laws.

The ERR will vary in length and content depending upon the level of review required for the categories of activities. The ERR contains all the environmental review documents, public notices (and proof of their publication), and written determinations or environmental findings required by *24 CFR 58* as evidence of review, decision making, and actions pertaining to a particular project.

Davis County documents and maintains the ERR, in coordination with the subrecipient as necessary. Potential tasks to develop the ERR include writing the project narrative; obtaining maps of the project area; soliciting comments from appropriate local, state, and federal agencies; and facilitating responses to comments received on environmental findings. The ERR should:

- Describe the project and each of the activities comprising the project, regardless of individual activity funding source.
- Evaluate the effects of the project or the activities on the human environment.
- Document compliance with applicable statutes and authorities.
- Record the written determinations and other review findings required by *24 CFR Part 58*.
- Fully document any public comments, concerns, and appropriate resolutions in the ERR.
- Include all required public notices, public comments (if any), the Request for Release of Funds and Certification (*RROF/C, Form 7015.15*) and HUD's Authority to Use Grant Funds (*Form HUD 7015.16*).

Program Descriptions

The ERR must describe a project and its activities in enough detail to include the nature, scope, scale, and location of the project. Depending on the project, the ERR should include maps and aerial photos that identify the location of the project and key features (*e.g., historic districts, major roads, railroads, airports, floodplains, natural areas*), site plans, elevations, renderings, photographs, budgets, schedules, and other pertinent information to supplement the description of the proposed project and existing conditions. The project description must be full and complete and aggregate all activities, both HUD and non-HUD funded.

Programmatic-level projects being cleared through a tiered review (*such as housing rehabilitation*) need to describe if the program occurs Countywide or within a limited geographic area of the County. If occurring within a limited area, the project boundaries need to be described in both narrative and maps. Housing programs should specifically describe: the proposed action (*e.g., minor*

repair, major rehabilitation, new construction), an estimated number of housing units to be assisted, the type of housing (*one to four unit or multi-family*), tenancy (*rental or owner occupied*), average and maximum amount of HUD assistance per home, estimated total cost of the program, and whether assistance will be provided as a grant or loan.

If the project undergoes change or modification after the environmental review has been approved, the original environmental review must be re-evaluated to determine if the findings and determinations remain valid. Such changes include a change in the project's nature, magnitude or extent, including the addition of new activities not anticipated in the original scope, or there are new circumstances and environmental conditions which may affect the project or have a bearing on its impact. The re-evaluation must include documentation in the ERR that describes the proposed project changes and the results of the re-evaluation.

Other Supporting Documentation

The ERR must contain all documentation of the review process:

- Environmental determination for each activity and its level of clearance finding
- Copies of any public notices
- Evidence of compliance with related provisions for historic preservation and floodplains/wetlands
- All other federal laws and authorities

Davis County maintains ERRs primarily in electronic formats (*and hard copy upon request*), available for public review and monitoring. All environmental documentation will be retained by the County in an electronic format. It is important to note that environmental documentation expires after five (5) years and a new environmental record will need to be completed if an applicant requests project funding that triggers an EA or EIS review.

Central Data File

The County maintains documentation that is community-wide in nature in a central data file to provide efficiencies and consistency among data that is common to all projects. Individual ERRs reference the central data file for the support documentation. Examples of central data files include documentation regarding compliance with sole source aquifer provisions, threatened and endangered species, and airport information. The central data file is reviewed and updated on a yearly basis when environmental reviews are conducted for the upcoming program year.

8.6 Fair Housing Act

Project subrecipients are responsible for taking necessary and appropriate actions to prevent discrimination in federally assisted housing and lending practices related to loans insured or guaranteed by the Federal government. Further, subrecipients should strive to promote a strategy for increasing the choice of housing opportunities for low and moderate income persons including minorities and female-headed households. Possible actions which project subrecipients, particularly municipalities or public agencies, can take are as follows:

- Review zoning, building, and housing codes and revise if necessary to encourage equal opportunity in housing;
- Consider Fair Housing priorities when developing land use plans, public facilities, and housing;
- Develop or strengthen Land Use Priorities for public facilities and housing;
- Strengthen local partnerships to identify Fair Housing Strategies;
- Require Housing Developers to use HUD Affirmative Marketing and Advertising practices; and
- Promote the availability of “**Fair Housing; It’s the Law**” Brochure.

8.7 Accessibility for People with Disabilities

Americans with Disabilities Act

The ADA provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, state and local government services and telecommunications. The Act, also referred to as the ADA, also states that discrimination includes the failure to design and construct (*built for first occupancy after January 26, 1993*) that are accessible to and usable by persons with disabilities. The ADA also requires the removal of architectural and communication 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.

Section 504 Handicap Accessibility Policy

Section 504 was enacted as part of the Rehabilitation Act of 1973. It prohibits discrimination on the basis of handicap in all programs and activities receiving federal assistance and, in 1978, it was amended to apply to all programs conducted by the Federal Government. This regulation provides that no qualified individual with handicaps shall, because a recipient's facilities are inaccessible to or unusable by individuals with handicaps, be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination under any program or activity that receives federal financial assistance. Davis County provides a TDD phone for the hearing impaired upon request, 48 eight hours prior to any meeting at (801.451.3200) and will provide sign and other interpreters for public meetings upon request for HOME program accessibility. All public meeting sites are handicap accessible and auxiliary aids are available for those individuals requesting them.

Structures built or rehabilitated must be made handicapped accessible. Structures designed, built, or altered (*rehabilitated*) with HOME funds shall conform to the Uniform Federal Accessibility Standards, which was published in the *Federal Register* on August 7, 1984 (*49 CFR 13518*). The Uniform Federal Accessibility Standards technical requirements meet or exceed comparable provisions of *ANSI 117.1-1980 Specifications for Making Buildings and Facilities Accessible to, and Usable by Physically Handicapped People*.

8.8 Lead Policy and Procedure

Whenever Federal funds, such as HOME, are used to assist housing built before 1978, steps must be taken to address lead hazards. All housing units in a project assisted with HOME funds must comply with the regulations found at **24 CFR Part 35**.

The lead-based paint regulations consolidate all lead-based paint requirements for HUD- assisted housing. The purpose of the regulation is to identify and address lead-based paint hazards before children are exposed to lead.

The regulation is divided into subparts, of which the following apply to the HOME program:

- Subpart A: Disclosure;
- Subpart B: General Requirements and Definitions;
- Subpart J: Rehabilitation;
- Subpart K: Acquisition, Leasing, Support Services, and Operations; and
- Subpart R: Methods and Standards for Lead-Based Paint Hazard Evaluation and Reduction

For HOME projects, the lead-based paint requirements established by the regulation fall into the three major categories listed below:

Notification

Recipients must meet four notification requirements:

1. **Lead Hazard Information Pamphlet** - Occupants, owners, and purchasers must receive the EPA/HUD/Consumer Product Safety Commission (CPSC) lead hazard information pamphlet, or an EPA-approved equivalent. ([Lead Hazard Information Pamphlet](#))
 - **Pamphlets are provided to all households at time of application.** Households must complete an acknowledgement form and sign to document they received and understood the pamphlet. A copy of this acknowledgment form should then be placed in the file. ([English/Spanish](#))
2. **Disclosure** - Check that property owners have provided purchasers and lessees with available information or knowledge regarding the presence of lead-based paint and lead-based paint hazards prior to selling or leasing a residence. ([English/Spanish](#))
 - A disclosure notice must be provided to purchasers before closing so that they are aware that there may be lead in the home they are purchasing. A copy of the disclosure notice must be placed in the file.
 - Tenants must receive a disclosure notice before moving into the unit. Ideally, they should receive a disclosure notice at time of application so they can make an informed decision when choosing housing for their household. A copy of the disclosure notice should be kept by the landlord in the tenant's file.
3. **Notice of Lead Hazard Evaluation or Presumption** - Occupants, owners, and purchasers must be notified of the results of any lead hazard evaluation work or the presumption of lead-based

paint or lead hazards. A copy of this notice must be provided to owners and tenants within 15 days of the evaluation. A copy of this notice should be kept in the project file.

4. **Notice of Lead Hazard Reduction Activity** - Occupants, owners, and purchasers must be notified of the results of any lead hazard reduction work. A copy of this notice must be provided to owners and tenants within 15 days of the project achieving clearance. A copy of this notice should be kept in the project file.

Lead Hazard Assessment/Evaluation: Assessment/evaluation methods include visual assessments, paint testing, and risk assessments. Each method has specific requirements (defined in Subpart R of the regulation) and must be done by qualified professionals. The specific method required depends on the activity undertaken.

Lead Hazard Reduction: Lead hazard reduction may include paint stabilization, interim controls, standard treatments, or abatement. Each method has specific requirements (defined in Subpart R of the regulation) and must be done by qualified professionals. The specific method required depends on the activity undertaken.

Exemptions

Some HOME projects may be exempt from the Lead Safe Housing Rule if they meet the criteria listed below:

- Housing units constructed after 1978.
- Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.
- Housing “exclusively” for the elderly or persons with disabilities, with the provision that children less than six years of age will not reside in the dwelling unit.
- An inspection performed according to HUD standards found the property contained no lead-based paint.
- According to documented methodologies, lead-based paint has been identified and removed, and the property has achieved clearance.
- The rehabilitation will not disturb any painted surface.
- The property is currently vacant and will remain vacant until demolition.

Grantees administering emergency repair programs should pay particular attention to the exemption “The rehabilitation will not disturb any painted surfaces.” Many emergency repair programs replace only water heaters or roofs where no painted surfaces are disturbed and thus may be exempt from the Rule. **All exemptions must be documented in the project file.**

Requirements for Rehabilitation Projects

HOME funds may be used for rehabilitation of existing units. When such an activity is undertaken using Federal funds on a unit built before 1978, the Lead Safe Housing Rule applies. In short, compliance with the Lead Safe Housing Rule for such rehabilitation projects will affect the project planning, timeline, scope of work, contracting and budget. This section briefly describes the relevant requirements.

Calculating the Level of Assistance

The lead hazard evaluation and reduction activities required for rehabilitation projects depend on the level of rehabilitation assistance received by the project. This level of assistance is determined by taking the lower of:

- Per unit rehabilitation hard costs (regardless of source of funds); or
- Per unit Federal assistance (regardless of the use of the funds).

To make this determination, it helps to understand several terms:

- **Rehabilitation Hard Costs.** The rehabilitation costs are calculated using only hard costs. They do not include soft costs or the costs of lead hazard evaluation and reduction, as described below.
- **Lead Hazard Evaluation and Reduction Costs.** Lead hazard evaluation and reduction costs include costs associated with site preparation, occupant protection, relocation, interim controls, abatement, clearance, and waste handling attributable to lead-based paint hazard reduction.
- **Federal Assistance.** Federal assistance includes all Federal funds provided to the rehabilitation project, regardless of whether the funds are used for acquisition, construction, soft costs or other purposes. This also includes funds from program income, but excludes low-income housing tax credit funds (LIHTC), Department of Energy Weatherization Program funds, or non-Federal HOME Program match funds.

Requirements for Projects Receiving Rehabilitation Assistance Up to and Including \$5,000 per Unit

The goal is to “do no harm.”

Therefore, all work must be conducted using lead safe work practices. Workers must be trained in lead safe work practices.

Rehabilitation projects where the level of assistance is less than or equal to \$5,000 per unit, workers must be trained in safe work practices, notices must be provided to owners and tenants, and clearance must be achieved.

Projects where the level of rehabilitation assistance is less than or equal to \$5,000 per unit must meet the following requirements:

- **Lead Hazard Evaluation.** Paint testing must be conducted to identify lead-based paint on painted surfaces that will be disturbed or replaced. Alternatively, grantees may presume that these surfaces contain lead-based paint.
- **Lead Hazard Reduction.** Grantees must repair all paint that will be disturbed during rehabilitation, unless such paint is found not to be lead-based paint.
- **If lead-based paint is detected or presumed, safe work practices must be used during rehabilitation.**
- **Clearance is required by a certified clearance examiner.**

Notices must be provided to owners and tenants:

- The Lead Hazard Information pamphlet;
- The Notice of Evaluation (if paint testing is performed) or Notice of Presumption (if paint testing is not performed); and
- The Notice of Lead Hazard Reduction.

Requirements for Projects Receiving Rehabilitation Assistance between \$5,000-\$25,000 per Unit

The goal is to “identify and address lead hazards.”

Projects where the level of rehabilitation assistance is between \$5,000 and \$25,000 per unit must meet the following requirements. A risk assessment is required to identify lead hazards and identified hazards must be addressed by interim controls.

- **Lead Hazard Evaluation.** A risk assessment must be conducted by a qualified professional prior to rehabilitation to find lead-based paint hazards in assisted units, in common areas that service those units, and on exterior surfaces. The risk assessment must include paint testing of any surfaces to be disturbed by the rehabilitation.
- **Lead Hazard Reduction.** If the risk assessment identifies lead-based paint hazards interim controls must be implemented to address lead-based paint hazards.
- Interim controls must be performed by qualified professionals using safe work practices.
- **Clearance,** conducted by a qualified clearance examiner, is required when lead hazard reduction activities are complete.

Options.

There are two options, as follows:

1. **The grantee is permitted to presume that lead-based paint is present and that lead-based paint hazards exist.** In such cases, evaluation is not required. The grantee must perform standard treatments in lieu of interim controls on all applicable painted surfaces and presumed lead-based paint hazards.
2. **The grantee is also permitted to conduct a lead hazard screen instead of a risk assessment.** The lead hazard screen has more stringent requirements and is only recommended in units in good condition. If the lead hazard screen indicates that there is no lead contamination, no lead hazard reduction is required. If the lead hazard screen indicates the presence of lead hazards, the grantee/subrecipient must then conduct a risk assessment.
3. (Note: Passing a lead hazard screen, or a risk assessment, does not eliminate the requirement to perform interim controls on lead-based paint hazards created as a result of the rehabilitation work.)

Notices must be provided to owners and tenants:

1. The Lead Hazard Information pamphlet;
2. The Notice of Evaluation (if a risk assessment is performed) or Notice of Presumption (if a risk assessment is not performed); and
3. The Notice of Lead Hazard Reduction.

Requirements Projects Receiving Rehabilitation Assistance over \$25,000 per Unit

The goal is to “identify and eliminate lead hazards.”

Projects where the level of rehabilitation assistance is over \$25,000 per unit must meet the following requirements. A risk assessment is required to identify hazards and any identified hazards must be abated by a certified abatement professional.

Lead Hazard Evaluation. A risk assessment must be conducted prior to rehabilitation to find lead based paint hazards in assisted units, in common areas that service those units, and on exterior surfaces. The risk assessment must include paint testing of any surfaces to be disturbed by the rehabilitation or grantees may assume that lead-based paint hazards exist. (See Exhibit 7.3)

Lead Hazard Reduction.

To address hazards identified:

- Abatement must be conducted to reduce all identified lead-based paint hazards except those described below. Abatement must be conducted by a certified abatement contractor.
- If lead-based paint hazards are detected during the risk assessment on the exterior surfaces that are not to be disturbed by rehabilitation, interim controls may be completed instead of abatement to reduce these hazards.
- Clearance is required when lead hazard reduction activities are complete.

Options. There are two options, as follows:

- **The grantee is permitted to presume that lead-based paint hazards exist.** In such cases, a risk assessment is not required. The grantee must abate all applicable painted surfaces that will be disturbed during rehabilitation and all presumed lead hazards.
- **The grantee is permitted to conduct a lead hazard screen instead of a risk assessment.** The lead hazard screen has more stringent requirements and is only recommended in units in good condition. If the lead hazard screen indicates that there is no lead contamination, no lead hazard reduction is required. If the lead hazard screen indicates the presence of lead hazards, the grantee/subrecipient must then conduct a risk assessment.

(Note: Passing a lead hazard screen, or a risk assessment, does not eliminate the requirement to perform abatement on lead-based paint hazards created as a result of the rehabilitation work.)

Notices must be provided to owners and tenants:

- **The Lead Hazard Information pamphlet;**
- **The Notice of Evaluation** (if a risk assessment is conducted) or Notice of Presumption (if a risk assessment is not conducted); and
- **The Notice of Lead Hazard Reduction.** In short, compliance with the Lead Safe Housing Rule for such rehabilitation projects will affect the project planning, timeline, scope of work, contracting, and budget. In particular, it involves the engagement of a certified abatement contractor.

Compliance

Failure to comply with the lead-based paint requirements under the regulation will subject a recipient to sanctions authorized under the Federal funding programs providing assistance to the property, and violations may subject a recipient to other penalties available under state or local law. Notifying owners, purchasers, or occupants of possible lead-based paint hazards does not relieve recipients of their responsibilities under the new regulation.

Not complying may expose households and contractors with potentially dangerous levels of lead dust and debris that can cause life threatening illnesses and developmental delays.

Certified Inspection, Risk Assessment, and Abatement Firms

The National Lead Information Center

The National Lead Information Center (NLIC) provides the general public and professionals with information about lead, lead hazards and their prevention. The NLIC operates under a contract with the U.S. Environmental Protection Agency (EPA), with funding from EPA and the U.S. Department of Housing and Urban Development (HUD).

Definitions.

The Act means the Residential Lead-Based Paint Hazard Reduction Act of 1992, [42 U.S.C. 4852d](#).

Agent means any party who enters into a contract with a seller or lessor, including any party who enters into a contract with a representative of the seller or lessor, for the purpose of selling or leasing target housing. This term does not apply to purchasers or any purchaser's representative who receives all compensation from the purchaser.

Available means in the possession of or reasonably obtainable by the seller or lessor at the time of the disclosure.

Common area means a portion of a building generally accessible to all residents/users including, but not limited to, hallways, stairways, laundry and recreational rooms, playgrounds, community centers, and boundary fences.

Contract for the purchase and sale of residential real property means any contract or agreement in which one party agrees to purchase an interest in real property on which there is situated one or more residential dwellings used or occupied, or intended to be used or occupied, in whole or in part, as the home or residence of one or more persons.

EPA means the Environmental Protection Agency.

Evaluation means a risk assessment and/or inspection.

Foreclosure means any of the various methods, statutory or otherwise, known in different jurisdictions, of enforcing payment of a debt, by the taking and selling of real property.

Housing for the elderly means retirement communities or similar types of housing reserved for households composed of one or more persons 62 years of age or more at the time of initial occupancy.

Inspection means:

- (1) A surface-by-surface investigation to determine the presence of lead-based paint as provided in section 302(c) of the Lead-Based Paint Poisoning and Prevention Act [[42 U.S.C. 4822](#)], and
- (2) The provision of a report explaining the results of the investigation.

Lead-based paint means paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight.

Lead-based paint free housing means target housing that has been found to be free of paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square centimeter or 0.5 percent by weight.

Lead-based paint hazard means any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, or lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces that would result in adverse human health effects as established by the appropriate Federal agency.

Lessee means any entity that enters into an agreement to lease, rent, or sublease target housing, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes, and nonprofit organizations.

Lessor means any entity that offers target housing for lease, rent, or sublease, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes, and nonprofit organizations.

Owner means any entity that has legal title to target housing, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes, and nonprofit organizations, except where a mortgagee holds legal title to property serving as collateral for a mortgage loan, in which case the owner would be the mortgagor.

Purchaser means an entity that enters into an agreement to purchase an interest in target housing,

including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes, and nonprofit organizations.

Reduction means measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including interim controls and abatement.

Residential dwelling means:

1. A single-family dwelling, including attached structures such as porches and stoops; or
2. A single-family dwelling unit in a structure that contains more than one separate residential dwelling unit, and in which each such unit is used or occupied, or intended to be used or occupied, in whole or in part, as the residence of one or more persons.

Risk assessment means an on-site investigation to determine and report the existence, nature, severity, and location of lead-based paint hazards in residential dwellings, including:

1. Information gathering regarding the age and history of the housing and occupancy by children under age 6;
2. Visual inspection;
3. Limited wipe sampling or other environmental sampling techniques;
4. Other activity as may be appropriate; and
5. Provision of a report explaining the results of the investigation.

Seller means any entity that transfers legal title to target housing, in whole or in part, in return for consideration, including but not limited to individuals, partnerships, corporations, trusts, government agencies, housing agencies, Indian tribes, and nonprofit organizations. The term “seller” also includes:

1. An entity that transfers shares in a cooperatively owned project, in return for consideration; and
2. An entity that transfers its interest in a leasehold, in jurisdictions or circumstances where it is legally permissible to separate the fee title from the title to the improvement, in return for consideration.

Target housing means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless any child who is less than 6 years of age resides or is expected to reside in such housing) or any 0-bedroom dwelling.

TSCA means the Toxic Substances Control Act, [15 U.S.C. 2601](#).

0-bedroom dwelling means any residential dwelling in which the living area is not separated from the sleeping area. The term includes efficiencies, studio apartments, dormitory housing, military barracks, and rentals of individual rooms in residential dwellings.

Section 9. Personal Identifiable Information Policy

9.1 Introduction

The CED Personal Identifiable Information (PII) Policy provides guidance for compliance in handling and protecting PII for the Community Services (CDBG/SSBG) and Hard Costs (HOME) Grant Programs the department administers.

This policy applies to the HOME, CDBG, and SSBG programs, their administrative staff, contractor staff, subgrantees, subrecipients, and any other individuals or groups involved in the handling and protecting of PII per governing guidelines including federal law, Office of Management and Budget (OMB) guidance, the U.S. Department of Labor, Davis County employee training and administrative policies, as well as any relevant State of Utah, Davis County and/or other local requirements.

As part of grant activities, CED staff, contractor staff, subgrantees, subrecipients and other individuals or groups may have in their possession PII relating to their organization, staff, subgrantee, partner organizations and individual program participants. This information is generally found in personnel files, participant data sets, performance reports, program evaluations, grant and contract files and data from other sources.

Federal law, OMB guidance, federal, state and local policies require that PII and other sensitive information is protected³. To ensure compliance with these policies/regulations, PII and sensitive data developed, obtained or otherwise associated with grantee funding must be secured and protected at all times.

1. All parties must take the steps necessary to ensure the privacy of all PII obtained from participants and/or other individuals and to protect such information from unauthorized disclosure;
2. All parties must ensure that PII used during the performance of their grant has been obtained in conformity with applicable Federal and state laws governing the confidentiality of information;
3. All parties must acknowledge that all PII data obtained through their program activity shall be stored in an area that is physically safe from access by unauthorized persons at all times and be managed with appropriate information technology (IT) services and designated locations. Accessing, processing and storing of PII data on personally owned equipment at off-site locations (*e.g. employee's home, and non-grantee managed IT services such as third-party email services*) is strictly prohibited;
4. All parties who will have access to sensitive/confidential/proprietary/private data must be advised of the confidential nature of the information, the safeguards required to protect the

³ U.S. Dept. of Labor Training and Employment Guidance Letter (TEGL) No. 39-11; 2 CFR 200.303(e); 24 CFR 570.502(a)

information, and that there are civil and criminal sanctions for noncompliance with such safeguards within the Federal and state laws;

5. All parties who have access to PII acknowledge the confidential nature of the data and must comply with safe and secure management of the data. By acknowledging this as part of the grant application process this will be maintained as part of the application file with the program service contractor for monitoring review at the request of the CED.
6. All parties must acknowledge their understanding of the confidential nature of the data and the safeguards with which they must comply in their handling of such data, as well as the fact that they may be liable to civil and criminal sanctions for improper disclosure.
7. Access to any PII through program and grant activity must be restricted to only those employees of the grant, subrecipient/subgrantee, who need it in their official capacity to perform duties in connection with the scope of work in the grant agreement.
8. All PII data must be processed in a manner that will protect the confidentiality of the records/documents and is designed to prevent unauthorized persons from retrieving such records by computer, remote terminal or any other means.
9. To ensure that PII is not transmitted to unauthorized users, all PII and other sensitive data transmitted via email or stored on CDs, DVDs, thumb drives, etc., must be encrypted.
10. All PII data must be retained to satisfy all required record retention requirements. Thereafter, all PII data must be destroyed, including the degaussing of magnetic tape files and deletion of electronic data.
11. With regard to personally identifiable information handled during the provision of CED, procedure must be followed as developed and implemented by the subrecipient/subgrantee, this procedure will be reviewed annually by CED.

9.2 Definitions

Personal Identifiable Information (PII): The OMB defines PII as information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual.

Sensitive Information: Any unclassified information whose loss, misuse or unauthorized access to or modification of could adversely affect the interest or the conduct of federal programs or the privacy to which individuals are entitled under the Privacy Act.

Protected PII and Non-Sensitive PII: The Department of Labor has defined two types of PII, protected PII and non-sensitive PII. The differences between protected PII and non-sensitive PII are primarily based on an analysis regarding the "*risk of harm*" that could result from the release of the PII.

1. Protected PII is information that if disclosed could result in harm to the individual whose name or identity is linked to that information. Examples of protected PII include, but are not limited to, social security numbers (SSNs), credit card numbers, bank account numbers, home telephone numbers, ages, birthdates, marital status, spouse names, educational history, biometric identifiers (fingerprints, voiceprints, iris scans, etc.), medical history, financial information and computer passwords.
2. Non-sensitive PII, on the other hand, is information that, if disclosed, by itself, could not reasonably be expected to result in personal harm. Essentially, it is stand-alone information that is not linked or closely associated with any protected or unprotected PII.
3. Examples of non-sensitive PII include information such as first and last names, e-mail addresses, business addresses, business telephone numbers, general educational credentials, gender or race. However, depending on the circumstances, a combination of these items could potentially be categorized as protected or sensitive PII.

An example of the connection between non-sensitive PII and protected PII: the disclosure of a name, business email address or business address most likely will not result in a high degree of harm to an individual. However, a name linked to a SSN, a date of birth and mother's maiden name could potentially result in identity theft. This example demonstrates why protecting the information of our program participants is so important.

9.3 Recommendations

- Before collecting PII or sensitive information from participants, have participants sign releases acknowledging the use of PII for grant purposes only.
- Whenever possible, use unique identifiers for participant tracking instead of SSNs. While SSNs may initially be required for performance tracking purposes, a unique identifier could be linked to each individual record. Once the SSN is entered for performance tracking, the unique identifier would be used in place of the SSN for tracking purposes. If SSNs are to be used for tracking purposes, they must be stored or displayed in a way that is not attributable to a particular individual, such as using a truncated SSN.
- Use appropriate methods for destroying sensitive PII in paper files (i.e., shredding) and securely deleting sensitive electronic PII and encrypting all emails with any PII.
- Do not leave records containing PII open and unattended.
- Store documents containing PII in locked cabinets when not in use.
- Immediately report any breach or suspected breach of PII.
- Computer terminal access must be secured at all times when unattended, (*i.e., office locked or terminal secured when not in use*)

9.4 Personal Identifiable Information Procedures

Any staff member providing any services related to HOME outside of a comprehensive site will ensure that they follow CED's Personally Identifiable Information (PII) Policy. All organizations receiving HOME funds must attest through Neighborly that their staff understand the PII Policy and

are responsible for its implementation. In addition, staff will comply with the following procedures to ensure PII protection while delivering any services requiring data collection in the community.

Participant File Protection

Participant files will stay in appropriate files, computers and onsite of subrecipients. CED staff will maintain electronic copies of documents containing PII and store them on a computer, versus transporting the documents and will use electronic signature equipment to drastically reduce and eventually eliminate the need for printing and transporting documents. Any exception to this policy must be reviewed on a case-by-case basis and granted in writing by CED staff.

If an exception is granted, participant files (and any other documents containing PII) may only be transported in a visibly locked filing box. No other methods of paper file protection will be recognized as compliant with these procedures. A file check-out form must be completed and left in place of the file in its original location. Additionally, the file transport must be tracked on a document control summary form easily accessed by other staff at the file's original comprehensive site. When the file is returned, the file check-out form may be removed and filed with the document control summary form. The return of the file must be acknowledged on both the check-out form and the document control summary.

Confidential Interaction

Staff will be cognizant of the fact that they are having confidential conversations including PII and sensitive information with participants in sometimes public places and will ensure discretion is used at all times. Some methods of employing discretion in a public setting include keeping voices at a low volume or pointing to, writing, or typing sensitive information instead of speaking aloud.

Sometimes, forms must be printed for participants to fill out. These forms should be scanned after they are completed, and the original given to the participant to ensure it is not accessible by anyone else. These original forms are not to be transported, and must be destroyed per record retention policy.

Equipment Protection

Staff will use secure computers, printers and scanners provided while working with any participants in the community situations. Please protect any computer equipment and never leave it unattended and/or available for unauthorized use. Do not share passwords. If any equipment is missing, please report the product, equipment ID#, and a description of the situation to your manager immediately, even before taking further steps to retrieve the equipment.

Section 10. Labor Standards

All construction and rehabilitation projects must meet Davis-Bacon standards. The County has a process for subrecipients to follow and expects that this process must be followed (*see Attachment 10.1*).

The Davis-Bacon and Related Acts apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works. Davis-Bacon Act and Related Act contractors and subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. The Davis-Bacon Act directs the Department of Labor to determine such locally prevailing wage rates. The Davis-Bacon Act prevailing wage provisions apply to the “Related Acts,” under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

Staff are available to provide technical assistance to subrecipients and work with contractors to ensure that compliance with federal labor and contracting standards are met.

Section 11. Build America, Buy America

11.1 Introduction

Build America, Buy America Act (BABA) requires any “infrastructure project” funded by any “Federal Financial Assistance” (FFA) apply a domestic content procurement preference, meaning that all iron, steel, manufactured products, and construction materials used in the infrastructure project have been produced in the United States, unless the awarding agency has issued a waiver of this requirement. This is called the “Buy American Preference” (BAP)⁴.

11.2 Application

BABA applies to all HOME “infrastructure” projects and requires that all iron, steel, manufactured products, and construction materials used in an “infrastructure project” must be produced in the United States, unless the awarding Federal Agency (HUD) has issued an applicable waiver.

Infrastructure projects are defined as structures, facilities, and equipment for, in the United States— (A) roads, highways, and bridges; (B) public transportation; (C) dams, ports, harbors, and other maritime facilities; (D) intercity passenger and freight railroads; (E) freight and intermodal facilities; (F) airports; (G) water systems, including drinking water and wastewater systems; (H) electrical transmission facilities and systems; (I) utilities; (J) broadband infrastructure; (K) buildings and real property; and (L) structures, facilities, and equipment that generate, transport, and distribute energy including electric vehicle (EV) charging.

11.3 Phased Implementation

Depending on the timing of Davis County’s grant agreement with HUD, BABA has a phased implementation for HOME funded projects in terms of applicable materials that must be sourced in the United States. See the chart below for the timing of when specific materials must be sourced in the United States.

Iron and Steel	Construction Materials- Specifically Listed	Construction Materials- Not Listed	Manufactured Products
HOME program year beginning July 1, 2023 (Davis County had no projects in PY 23)	HOME program year beginning July 1, 2024 (current program year and includes Iron & Steel - Davis County had no projects in PY 24)	HOME program year beginning July 1, 2025	HOME program year beginning July 1, 2025

⁴ See [2 CFR 184](#)

Construction materials specifically listed include: (1) Non-ferrous metals, (2) Plastic and polymer-based products (including polyvinyl chloride, composite building materials, and polymers used in fiber optic cables), (3) Glass (including optic glass), (4) Fiber optic cable (including drop cable), (5) Optical fiber, (6) Lumber, (7) Engineered wood, and (8) Drywall.

Construction materials not listed. The term “not listed construction materials” refers to the category of construction materials that are subject to the BAP, but not included in HUD’s specifically listed construction materials.

Manufactured products. (1) Articles, materials, or supplies that have been: (i) processed into a specific form and shape; or (ii) combined with other articles, materials, or supplies to create a product with different properties than the individual articles, materials, or supplies.

11.4 Waivers

HUD has approved several general applicability waivers for specific public interest circumstances as summarized below. When the circumstances of any public interest general waiver are applicable to an infrastructure project, BABA’s domestic content procurement preference does not apply.

Small Grants

BABA requirements do not apply to infrastructure projects whose total cost is equal to or less than the current Simplified Acquisition Threshold of \$250,000. This waiver is currently in effect as of November 23, 2022.

De Minimis

BABA requirements do not apply for a De Minimis portion of an infrastructure project, meaning a cumulative total of no more than 5 percent of the total cost of the iron, steel, manufactured products, and construction materials, up to a maximum of \$1 million. This waiver is currently in effect as of November 23, 2022.

Exigent Circumstances

This waiver applies when there is an urgent need by a grantee to immediately complete an infrastructure project because of “exigent circumstances,” or a threat to life, safety, or property of residents and the community. This waiver is currently in effect as of November 23, 2022.

Additional Waivers

If none of the general applicability waivers apply to your project, County and the subrecipient can apply for an additional waiver from HUD in the following circumstances. However, work on the project cannot commence until a waiver is granted. If no waiver is granted, the project may be canceled.

- A waiver is in the public interest (Public Interest Waiver);

- The types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or satisfactory quality (Nonavailability Waiver); or,
- The application of the domestic content preference would increase the cost of the overall project by more than 25% (Increased Cost Waiver).

11.5 Compliance

To maintain compliance, you must be sourcing compliant materials or requiring your contractor to do so. You may have to conduct market research to find domestic products. You may identify domestic products that comply with [BABA definitions](#) through working with [Hollings Manufacturing Extension Partnership \(MEP\)](#), trade associations, and local manufacturers/stores.

The MEP has provided guidance on how to find domestic suppliers [here](#). You may [contact the NIST MEP supplier scouting team](#) for assistance to help you complete the opportunity synopsis and answer any questions. For MEP supplier scouting needs that are limited to state-based identification of potential manufacturers within an individual state, versus on a national scale, please contact the [local MEP Center](#) for that state.

Grantees must keep proper documentation to demonstrate compliance with BABA for purchased products covered by the Act, which may include either documentation that the products are BABA compliant or manufactured in the U.S. For projects that are co-funded, there may be other requirements from other funding providers.

If the purchase of the products was covered under a General Waiver, keeping documentation is not required. If no existing waiver applies, but you believe that one of the other exemptions covers your project or products, you may apply to waive the domestic content procurement preference. If the waiver is granted, you should keep proper documentation of that as well.

Appendix A

Davis County Home Project Evaluation Matrix				
Home Project Name:			Requested Funding Amount	
Applicant:			\$	Multi-Year Project (Y or N)
Date of Meeting:			Recommended Funding Level by Evaluator	
Evaluator:			\$	
Criteria:	Funding request will be reviewed against the following matrix:			
	Rate on the points possible, comparing to Home Priorities (the higher the better).			
	Subcriteria:		Possible	Applicant's score
1	Priority Activities 20%	Projects that meet priority initiatives will receive a high weighting based on the alignment of priorities 1-7 for a possible 5 points to 0 points.	20	0
2	Applicants - Quality 25%	Applicants and/or development partners' experience with deeply affordable housing development.	10	0
		Matching Funds (Minimum of 25%)	10	0
		Leverage of other tax credits and subsidies and participation of other stakeholders	5	0
	Civic Engagement	Citizen participation in project development, including coordination with the Local Homeless Council (LHC) and other service providers	5	0
4	Affordable Housing/ Project Impact 35%	% of deeply affordable units (30%) are dedicated individuals experiencing chronic homelessness or families experiencing	15	0
		% of housing units available to 80% AMI - 50% AMI	10	0
		Total number of housing units	10	0
5	Viability and Justification of the Project 15%	Capital/Operational Budget and Pro-Forma	5	0
		Cost effectiveness	5	0
		Likelihood and timelines of build-out as projected.	5	0
	#VALUE!	TOTAL	100	0

Attachments

Attachment 1.1	HUD Income Limits FY24
Attachment 3.1	Template Subrecipient Agreement
Attachment 3.3	Davis County Housing Rehabilitation Standards
Attachment 4.2	Quarterly Report Template (Invoice/Labor)
Attachment 5.3	Eligible Activities HUD Matrix Codes
Attachment 6.1	Citizen Participation Plan
Attachment 7.4	Lead Safe Housing Rule-Toolkit Forms
Attachment 8.1	Exempt – CENST Form
Attachment 8.2	CEST Form
Attachment 8.3	CEST Form – Broad-Level Tiered Environmental Review
Attachment 8.4	EA Form
Attachment 9.1	Davis County Labor Standards Practice (Davis-Bacon)

DAVIS COUNTY

Lorene Kamalu
Chair
Davis County Board of Commissioners
Date: _____

ATTEST:

Brian McKenzie
Davis County Clerk
Date: _____

APPROVED AS TO FORM:

Davis County Attorney