

# CDBG Policy & Procedures Manual



Village of Rantoul  
Community Development Department  
Community Development Block Grant Program



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## KEY DEFINITIONS

This section provides definitions of key CDBG topics and terms.

**The Act:** The Housing and Community Development Act of 1974 makes funds available to qualified cities to develop viable urban communities, by providing decent housing and a suitable living environment, and expanding economic opportunities.

**Action Plan:** An annual plan that outlines proposed housing and community development objectives, activities, and budget in the Village of Rantoul. The plan includes information regarding federal, state, and local funding resources; a description of each activity to be implemented; and other actions that the Village will take to address barriers to affordable housing, support anti-poverty strategies, and facilitate fair housing.

**Administrative Cap:** A maximum of 20 percent of the sum of the entitlement grant plus program income that is received during the program year may be spent on planning and administration costs.

**Affirmatively Furthering Fair Housing Plan (AFFH):** An analysis of fair housing that will assist a community to take meaningful actions to combat discrimination, end segregation, and foster inclusive communities.

**CDBG:** The Community Development Block Grant program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to over 1,200 general units of local government and States.

**CDBG Recipient:** Local governments are known as grantees or recipients, and also referred to as units of general local government (UGLG). Under the Entitlement CDBG Program, the Village of Rantoul receives funding directly from HUD.

**CFR:** The Code of Federal Regulations is the codification of the general and permanent rules and regulations (sometimes called administrative law) published in the Federal Register by the executive departments and agencies of the federal government of the United States. The CFR is divided into 50 titles that represent broad areas subject to federal regulation.

**Citizen:** A person living within the corporate limits of the Village of Rantoul. Unless otherwise distinguished by HUD or applicable statute, citizen and resident are used interchangeably.

**Citizens Advisory Committee (CAC):** An advisory body to the Rantoul Village Board which encourages a planned and orderly approach to the development of community services in the Village of Rantoul. The CAC reviews, evaluates, and makes recommendations to the Village Board on proposals submitted by agencies seeking CDBG funding; along with makes

recommendations on funding village programs. CAC members are appointed by the Mayor and the Rantoul Village Board of Trustees.

**Citizen Participation Plan:** A plan prepared by the Village of Rantoul in accordance with 24 CFR 570.486 which describes how the Village will include and encourage citizen participation, especially by low and moderate income citizens.

**Conflict of Interest:** When an individual or organization is involved in multiple interests, one of which could corrupt or be perceived as corrupting the fair and objective allocation of funds or procurement of goods and services.

**Consolidated Annual Performance and Evaluation Report (CAPER):** An annual report prepared by the Village of Rantoul and submitted to HUD in accordance with 24 CFR Part 91, on the objectives, activities, and budget set forth in the Annual Action Plan and the progress on the three-to five year consolidated plan.

**Consolidated Plan:** The Consolidated Plan is a three-to five year strategic plan prepared by the Village of Rantoul in accordance with 24 CFR Part 91, and describes the needs, resources, priorities and proposed activities to be undertaken with respect to HUD's Office of Community Planning and Development (CPD) formula programs, including CDBG. An approved Consolidated Plan is one which has been approved by HUD.

**Contractors:** A contractor is an entity paid with CDBG funds in return for a specific service (e.g., construction). Contractors must be selected through a competitive procurement process.

**Corrective Action Plan:** A plan prepared by a subrecipient or village partner to correct issues of non-compliance within a specific schedule.

**Cost Allocation:** The identification, aggregation, and assignment of centralized costs.

**Cost Allocation Plan:** A description of a process whereby services provided on a centralized basis (e.g., information technology, purchasing, accounting services) can be identified and assigned to benefitted departments on a reasonable and consistent basis.

**CPD:** The Office of Community Planning and Development is an office within HUD that administers and provides federal oversight of the CDBG program, along with other federal programs that provide decent housing, a suitable living environment, and expand economic opportunities for low and moderate income persons.

**Davis-Bacon Act:** Establishes the requirement for paying the local prevailing wages and fringe benefits, as determined by the U.S. Department of Labor. It applies to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000.

**Draw Down:** Refers to the process of requesting and receiving CDBG funds from HUD. Grantees draw down funds from a line of credit established by HUD in IDIS. Subrecipients typically draw down funds from grantees.

**Economic Development:** Activities to improve the economic health and standard of living in the Village of Rantoul. Depending on the nature of the activity, eligible economic development activities may be subject to the public services or administrative caps.

**Entitlement Community:** A city in a metropolitan area with a population of 50,000 or more, a principal city of a metropolitan area, or an urban county with a population of at least 200,000 (excluding the population of metropolitan cities located therein) that receives an annual allocation of CDBG funds directly from HUD under the CDBG Entitlement Program. Entitlement Communities that loses population may still be “grandfathered” into the program and continue to receive grant funding. An Entitlement Community is sometimes referred to by HUD as a grantee or recipient.

**Entitlement Grant:** Federal funds received by an entitlement community in a program year.

**Environmental Review Record (ERR):** An assessment report of the effects a CDBG funded project will have on the environment and must be completed before any funds are expended on a project. The assessment is completed in HEROS and follows the requirements of 24 CFR Parts 50 and 58.

**Funding Cycle:** The time period associated with the Village of Rantoul’s allocation of projected CDBG funds for the upcoming program year(s). The funding cycle is most commonly an annual cycle that runs concurrently with the Village of Rantoul’s fiscal year of May 1 to April 30. Funding for social service programs generally operates from November 1 to October 31.

**HUD’S Environmental Review Online System (HEROS):** An online system for developing, documenting, and managing environmental reviews. Access to this system is requested from the HUD Region V Environmental Officer.

**Household:** All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any groups of related or unrelated persons who share living arrangements.

**Housing Rehabilitation:** Activities that assist homeowners with the repair, rehabilitation, or reconstruction of owner-occupied and rental units.

**HUD:** CDBG funds are provided by the U.S. Department of Housing and Urban Development (HUD). HUD established the regulations and requirements for the program and has oversight responsibilities for the use of CDBG funds.

**HUD Guidelines:** All tools, guidebooks, trainings, notices, and other guiding materials and correspondence provided by HUD or CPD regarding the laws and regulations of CDBG Programs.

**Integrated Disbursement and Information System (IDIS):** An on-line nationwide database that provides HUD with current information regarding program activities and funding data. The Village of Rantoul uses IDIS to fund and report on its CDBG Program. User identifications and passwords are issued by HUD.

**Income:** Gross income for a household as defined by 24 CFR Part 5 is used for all Village of Rantoul CDBG funded programs.

**Indirect Costs:** Costs that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.

**Indirect Cost Rate:** A device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio, expressed as a percentage, of the indirect cost rate.

**Indirect Cost Rate Proposal:** The documentation prepared by a governmental unit or subdivision thereof to substantiate its request for the establishment of an indirect cost rate.

**Low- and Moderate Income:** Low- and moderate income (also referred to in this manual as LMI) means family or household annual income less than the Section 8 Low income Limit, generally 80 percent of the area median income, or a person within such household, as established by HUD. A minimum of 70% of all households receiving services using CDBG funding must have a low-moderate income.

**Low-Income Household/Family:** A household/family having an income equal to or less than the Section 8 Very Low Income limit (50% of the area median income) as established by HUD.

**Minimum Contracting Standards:** A set of standards required before the execution of a Subrecipient Agreement. The standards indicate the minimum administrative and financial framework required to manage public funds.

**Minority Business Enterprise (MBE):** A business concern that is at least 51% owned by one or more individuals who are African American, Hispanic American, Native American, Asian-Pacific American or Asian-Indian American; and whose management and daily business operations are controlled by one or more of these owners.

**Moderate Income Household/Family:** A household/family having an income equal to or less than the Section 8 Low Income limit (80% of area median income) established by HUD, but greater than the Section 8 Very Low Income limit (50% of the area median income) established by HUD.

**Monitoring Visits:** Visits to subrecipient and village partner programs by Rantoul Community Development Department staff to evaluate the progress/performance of the program and/or to provide technical assistance.

**Neighborhood Revitalization Strategy Area (NRSA):** A geographic area approved by HUD that meet certain criteria. The local community can develop comprehensive approaches to address economic development and housing needs.

**OMB:** The Office of Management and Budget (OMB) is the largest office within the Executive Office of the President of the United States. The main function of the OMB is to assist the President in preparing the budget. The OMB issues budget instructions or information, known as circulars, to Federal agencies.

**PR Reports:** Standard CDBG program reports generated in IDIS that provide financial and performance information.

**Presumed Benefit:** Benefit a group of clientele that is presumed to be principally low-moderate income. Presumed benefit groups include abused children, battered spouses, severely disabled adults, homeless persons, illiterate adults, persons with AIDS, migrant farm workers, and elderly persons over 62 years of age.

**Program Income:** Program income is the gross income received by the Village and its subrecipients directly generated from their use of CDBG funds.

**Program Year:** The Village of Rantoul's program year begins May 1 and concludes April 30 of the following year.

**Public Service Activity:** Eligible public service activities including, but not limited to those concerning with education, employment, crime prevention, child care, health, homelessness, drug abuse, fair housing counseling, senior services and youth services. To be eligible for CDBG assistance, a public service must be either a new service or a have a quantifiable increase in services.

**Public Services Cap:** A maximum of 15 percent of the sum of the entitlement grant plus program income that is received during the program year may be spent on public service activities.

**Resident:** Unless otherwise distinguished by HUD or applicable statute, resident and citizen are used interchangeably.

**Section 3:** Section 3 of the Housing and Urban Development Act of 1968 established the Section 3 Program, which requires recipients of HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

**Statement/Scope of Work:** An exhibit of the subrecipient agreement which must include the project description, the national objective claimed, activity descriptions, intended beneficiaries (number and type), detailed budget and location(s) of program related activity.

**Subrecipient:** An entity charged with implementation of one or more activities funded with Village of Rantoul CDBG dollars.

**Subrecipient Agreement:** A written agreement between the Village of Rantoul and the subrecipient that is required before CDBG funds are disbursed.

**Target Areas:** A geographic area within the corporate limits of the Village of Rantoul that has a minimum of 51.0% low-moderate income population. The Rantoul Village Board must take formal action to concentrate CDBG funds and programs into the target area(s).

**Technical Assistance:** Assistance to an entity by another entity with more knowledge in the applicable subject field, resulting in increased capacity or knowledge of the assisted entity.

**Timeliness:** Carrying out CDBG funded activities in a timely manner.

**Timeliness Spending Test:** A test conducted sixty days prior to the end of the current program year, to ensure that the amount of entitlement grant funds available to the Village of Rantoul under grant agreements, but undisbursed by the U.S. Treasury is not more than 1.5 times the entitlement grant amount for the current program year. Progress can be monitored in IDIS, through the PR 56 report.

**Urgent Need:** Activities designed to alleviate existing conditions of recent origin (18 months) that pose serious threats to the health and welfare of the community. This objective may only be used if the community cannot finance necessary activities with other sources.

**Village Program:** An eligible activity or service provided by the Village of Rantoul staff through a non-competitive application process.

**Women's Business Enterprise (WBE):** A business concern that is at least 51% owned by one or more women and whose management and daily business operations are controlled by one or more of those owners.

## **CDBG PROGRAM OVERVIEW**

The Village of Rantoul receives a yearly Community Development Block Grant (CDBG) entitlement from the U.S. Department of Housing & Urban Development (HUD). To continue participation in this program, the Village contractually agrees with HUD to implement the Housing & Community Development Act of 1974 and related CDBG program regulations in 24 CFR 570. All CDBG allocations are subject to the regulations detailed in 2 CFR Part 200 (formerly, OMB Circulars A-110 (2 CFR Part 225), OMB Circulars A-110 and A-122 (2 CFR Part 230)).

### NATIONAL OBJECTIVES

1. At least 70% of the program participants must have low or moderate income as defined by HUD.
2. The project must eliminate slum and blight as defined by HUD.
3. Meet an urgent need designated as an emergency by the Village of Rantoul Board of Trustees.

### ELIGIBLE ACTIVITIES

1. Acquisition of real property for any public purposes other than the general conduct of government.
2. Disposition of property acquired with CDBG funds.
3. Acquisition, construction, rehabilitation, or installation of public facilities and improvements carried out by the Village of Rantoul or other public or private non-profit entities. Generally, this does not apply to new construction.
4. Public services (limited to a maximum of 15% of the Village of Rantoul's total CDBG entitlement) which are directed toward improving the community's public services and facilities, including, but not limited to, those concerned with employment, education, health care, substance abuse, senior services and youth services.
5. Removal of architectural barriers, which restrict the mobility of elderly and/or persons with disabilities. All publicly and privately owned buildings and facilities are eligible for funding.
6. Rehabilitation and preservation for:
  - a. Low and moderate-income owner-occupied houses.
  - b. Low and moderate income public housing.
  - c. Publicly owned non-residential buildings and improvements otherwise eligible for assistance.
  - d. Publicly or privately owned historic buildings.
  - e. Commercial or industrial facility for job creation or retention.
  - f. Public facilities.
  - g. Affordable housing or mixed-income housing.
  - h. Low and moderate-income senior housing.
  - i. Businesses that agree to hire, retain and/or serve low and moderate-income persons.

7. Activities designed to create or retain jobs. All jobs created within the applicant's program are required to be permanent and at least 51.0% of the total must be for persons of low and moderate income.

INELIGIBLE ACTIVITIES

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

SPENDING RESTRICTIONS

*Public Service Cap*

No more than 15.0% of the sum of the annual entitlement grant plus any grant program income received in the previous grant year on public service programs. The public service cap is calculated by:

Current Year Entitlement Amount:	_____
	+
Previous Year Program Income Received:	_____
	=
Amount to Calculate Public Service Cap:	_____
	X 0.15
Total Maximum Amount for Public Service Programs:	_____

*Planning and Administration Cap*

No more than 20.0% of the sum of the annual entitlement grant plus any grant program income received in during the grant year may be spent on planning studies or administration. The planning and administration cap is calculated by:

Current Year Entitlement Amount:	_____
	+
Current Year Program Income Expected:	_____
	=
Amount to Calculate Administration Cap:	_____
	X 0.20
Total Maximum Amount for Administration:	_____

*Low and Moderate-Income Benefit Requirement*

At least 70.0% of the Village of Rantoul's non-administration CDBG spending is required to benefit low and moderate income people. The 70.0% threshold should be exceeded each year to maintain compliance; however HUD rules allow grantees to use spending during a fixed three-year period to calculate.

The benefit should be either 51.0% of client participants, 51.0% of household participants, 51.0% of housing units assisted, 51.0% of an area's residents or 51.0% employees in jobs created or retained. The low and moderate income benefit requirement is calculated by:

Entitlement Amount in Year 1, Year 2 and Year 3:	_____
	-
Administration Budget Allocation in Year 1, Year 2 and Year 3:	_____
	=
Amount to Calculate Minimum Low-Mod Benefit Spending:	_____
	X 0.70
Total Minimum Required Amount for Low-Mod Benefit Spending:	_____
3-Year Total Amount Spent on Low/Mod Area Benefit Programs:	_____
	+
3-Year Total Amount Spent on Low/Mod Limited Client Benefit Programs:	_____
	+
3-Year Total Amount Spent on Low/Mod Jobs Benefit Programs:	_____
	+
3-Year Total Amount Spent on Low/Mod Housing Benefit Programs:	_____
	=
3-Year Amount to be Applied to Low/Mod Benefit Calculation:	_____

### SPENDING TIMELINESS

HUD requires the Village of Rantoul to use the CDBG funds it receives in a timely manner. HUD determines if Rantoul is spending down its CDBG entitlement in a timely manner by checking to see what the unspent balance is on March 2 of each year. HUD requires the amount of unspent funds to be no more than 150.0% of the entitlement amount for the current year.

The best method to review the Village of Rantoul's timeliness is to refer to the Integrated Disbursement and Information System (IDIS) program report number 56 (PR56).

### INCOME RESTRICTIONS

At least 51.0% of the program's participants must be low and moderate income as determined by HUD income limits for the Champaign-Urbana Metropolitan Statistical Area. To determine if a client qualifies as low or moderate income, household size must be determined first, followed by the total income of the household. If the total household income falls below the 80.0% of median income, the client can be counted towards the 51.0% required participation of low and moderate income residents. Clients above this threshold may participate in a CDBG funded activity if these participants comprise no more than 49.0% of the total participants. However, programs should be designed to ensure the maximum participation by low and moderate income persons.

The CDBG Program recognizes three methods to determine a household's income:

- Annual income as defined by 24 CFR Part 5 (Part 5 Annual Income also formerly known as the "Section 8" Income);
- Annual income as reported under the Census long form for the most recent decennial census; and
- Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.

Any one of the three methods can be used for any CDBG funded program and activity, provided that only one (1) method is used exclusively for that program or activity.

The preferred method of determining income eligibility for all Village of Rantoul programs is the "Part 5 Annual Income."

The following link will provide updated income limits from HUD:

<http://www.huduser.org/portal/datasets/il.html>

PY 2017 INCOME LIMITS  
Champaign-Urbana, IL MSA  
Issued by HUD on April 11, 2017

Persons in Household	1	2	3	4	5	6	7	8
Extremely-Low Income (30% of median)	\$14,600	\$16,700	\$18,800	\$20,850	\$22,550	\$24,200	\$25,900	\$27,550
Very-Low Income (50% of median)	\$24,350	\$27,800	\$31,300	\$34,750	\$37,550	\$40,350	\$43,100	\$45,900
Low Income (80% of median)	\$38,950	\$44,500	\$50,050	\$55,600	\$60,050	\$64,500	\$68,950	\$73,400

PRESUMED BENEFIT

Some activities do not require collection of individual client or household income data. The following income categories should be used for the following presumed benefit categories.

<u>Presumed Benefit Category</u>	<u>Income Category</u>
Abused Children	Extremely Low Income
Battered Spouses	Low Income
Severely Disabled Adults	Low Income
Homeless Persons	Extremely Low Income
Illiterate Adults	Low Income
Persons with AIDS	Low Income
Migrant Farm Workers	Low Income
Senior Citizens & Elderly (over age 62)	Low Income

FAIR MARKET RENTS

Any CDBG activities involving rental housing must take steps to deed restrict these units to charging not more than fair market rents to be eligible for CDBG funds. Rehabilitated units can only be leased to households who have low/moderate incomes. Fair market rents are determined by the number of bedrooms a rental unit has. Any applicable utility allowances will be provided by the Housing Authority of Champaign County.

The following link will provide updated fair market rents from HUD:

<http://www.huduser.org/portal/datasets/fmr.html>

### BENEFIT/AFFORDABILITY TIMEFRAME REQUIREMENTS

CDBG that funds projects must ensure that those activities continue to carry out the intended benefit for a minimum number of years depending on the type of activity and the amount of funding allocated. The Village of Rantoul may determine longer benefit or affordability timeframes are needed.

- Access Housing Rehabilitation over \$3,000 – 5 years
- Owner-Occupied Emergency Housing Rehabilitation over \$3,000 – 5 years
- Owner-Occupied Full-Home Housing Rehabilitation – 5 years
- Rental Housing Total Funds Less than \$15,000 – 5 years
- Rental Housing Total Funds between \$15,000 to \$40,000 – 10 years
- Rental Housing Total Funds over \$40,000 – 15 years
- Public Facilities – any amount of funding – 5 years

### AFFIRMATIVELY FURTHERING FAIR HOUSING PLAN

According to the HUD Fair Housing Planning Manual, the broad objectives of Affirmatively Furthering Fair Housing can be interpreted to mean:

- Analyze and eliminate housing discrimination in the jurisdiction.
- Promote fair housing choice for all persons.
- Provide opportunities for racially and ethnically inclusive patterns of housing occupancy.
- Promote housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities.
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

The Village prepared its initial Analysis of Impediments to Fair Housing (AI) in 1996, and revised the plan in 1997. This report found 9 areas that required action or further review in order to ensure that Rantoul was complying in its efforts to affirmatively further fair housing choice. Although the Rantoul Community Development attempts to address each of these areas every year, an updated AI is needed, and required by HUD.

The nine impediments the 1997 report found include:

1. There is a shortage of Section 8 subsidies in Rantoul and the rest of Champaign County.
2. A lack of funding restricts housing choices and options for owners and potential homeowners.
3. First-time homebuyer subsidies should be continued through downpayment assistance programs and building incentives offered through the Village.
4. Housing rehabilitation programs are necessary to preserve the housing stock and to allow families to live in standard and safe housing.
5. There is a need for transportation services for low-income employment purposes.
6. There is a need to periodically review the Community Reinvestment Act (CRA) reports of the local lending institutions along with insurance and real estate firms in Rantoul.
7. The Rantoul Community Development Department and Housing Authority of Champaign County (HACC) should review each other's policies.

8. There should be at least one female member of the village's plan commission.
9. The Rantoul Community Development Department should enhance its outreach program for fair housing education.

Actions to be taken over the next several years, as they relate to fair housing choice include:

- Village staff will meet with mortgage lenders to develop affordable homeownership programs.
- Periodically meet with the HACC to review programs, policies, and the possibility of jointly funded projects.
- Village of Rantoul will work with Champaign County to continue the rural transportation program.
- Women and minorities will continue to be members of the Village of Rantoul's Planning Commission, Zoning Board of Appeals, and Citizens Advisory Committee.
- Encourage additional participation in the Rantoul Landlord's Association.
- Provide fair housing training opportunities from the Illinois Department of Human Rights.
- The Village of Rantoul will update its Analysis of Impediments to Fair Housing report.

On July 16, 2015, HUD published the final, updated Affirmatively Fair Housing rule in the Federal Register, which describes the parameters and methodology for communities to update their fair housing analysis and plan. The Village of Rantoul's updated Affirmatively Furthering Fair Housing Analysis (AFFH) is due to HUD in August 2017.

The Village of Rantoul has requested to complete a regional fair housing analysis with the City of Champaign, City of Urbana, Ford County Housing Authority, Housing Authority of Champaign County, and the Piatt County Housing Authority; which would be due to HUD in October 2019.

HUD's contact person for the AFFH is Amy Hudson, who may be contacted at 312-913-8726 or via e-mail at [Amy.Hudson@hud.gov](mailto:Amy.Hudson@hud.gov).

#### FUNDING REQUESTS FROM FAITH-BASED ORGANIZATIONS

In 2004, HUD issued guidelines for ensuring equal treatment of faith-based organizations. Faith-based organizations are encouraged to apply for CDBG funds provided that the activities funded with CDBG comply with the guidance outline in HUD CPD Notice 04-10 of September 29, 2004.

Broadly, the notice provides the following rules:

1. Organizations may not use direct HUD funds to support inherently religious activities such as worship, religious instruction, or proselytization. Faith-based organizations may use HUD funds to support non-religious social services that are separate in time or location from their inherently religious activities.

2. Faith-based organizations, like all organizations implementing HUD-funded programs, must serve all eligible beneficiaries without regard to religion. Faith-based organizations may not require participants to attend or take part in any religious activities that take place at a different time or location; but these participants must be reassured that their decision to participate or not will not affect their ability to receive being provided with HUD funds.
3. Faith-based materials, supplies, literature may not be acquired or distributed with HUD funds.
4. Faith-based organizations may use HUD funds to pay the salary to staff or members of a faith-based organization, provided that the staff or members do not engage in religious activities while being paid with public dollars.

The complete guidelines can be found at:

[http://portal.hud.gov/hudportal/documents/huddoc?id=DOC\\_15282.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_15282.pdf)

## **RANTOUL'S CDBG PROGRAM ORGANIZATIONAL STRUCTURE**

The Village of Rantoul's CDBG Program is primarily staffed by the Community Development Director, who reports directly to the Mayor and the Village Administrator and is primarily responsible for the operation of the program. Other village departments coordinate efforts to comply with various federal and state regulations, such as, but not limited to: 24 CFR 570, 24 CFR 85, 24 CFR 91, and 2 CFR Part 200.

The following is a summary of the positions and responsibilities, and can be seen on the following Village of Rantoul Organizational Chart.

### Mayor

- Certifies Environmental Review Record
- Certifies Consolidated Plan and Annual Action Plan

### Village Administrator

- Provides overall guidance on how CDBG funds are spent

### Comptroller

- Finance and Budget
- Purchasing
- Information Management Services
- Audit
- Reviews CDBG Quarterly Financial Report

### Inspection Department

- Housing rehabilitation inspections
- Lead-based paint testing
- Inspects pre- and post-demolition projects
- Code Enforcement
- Process payroll and purchase orders

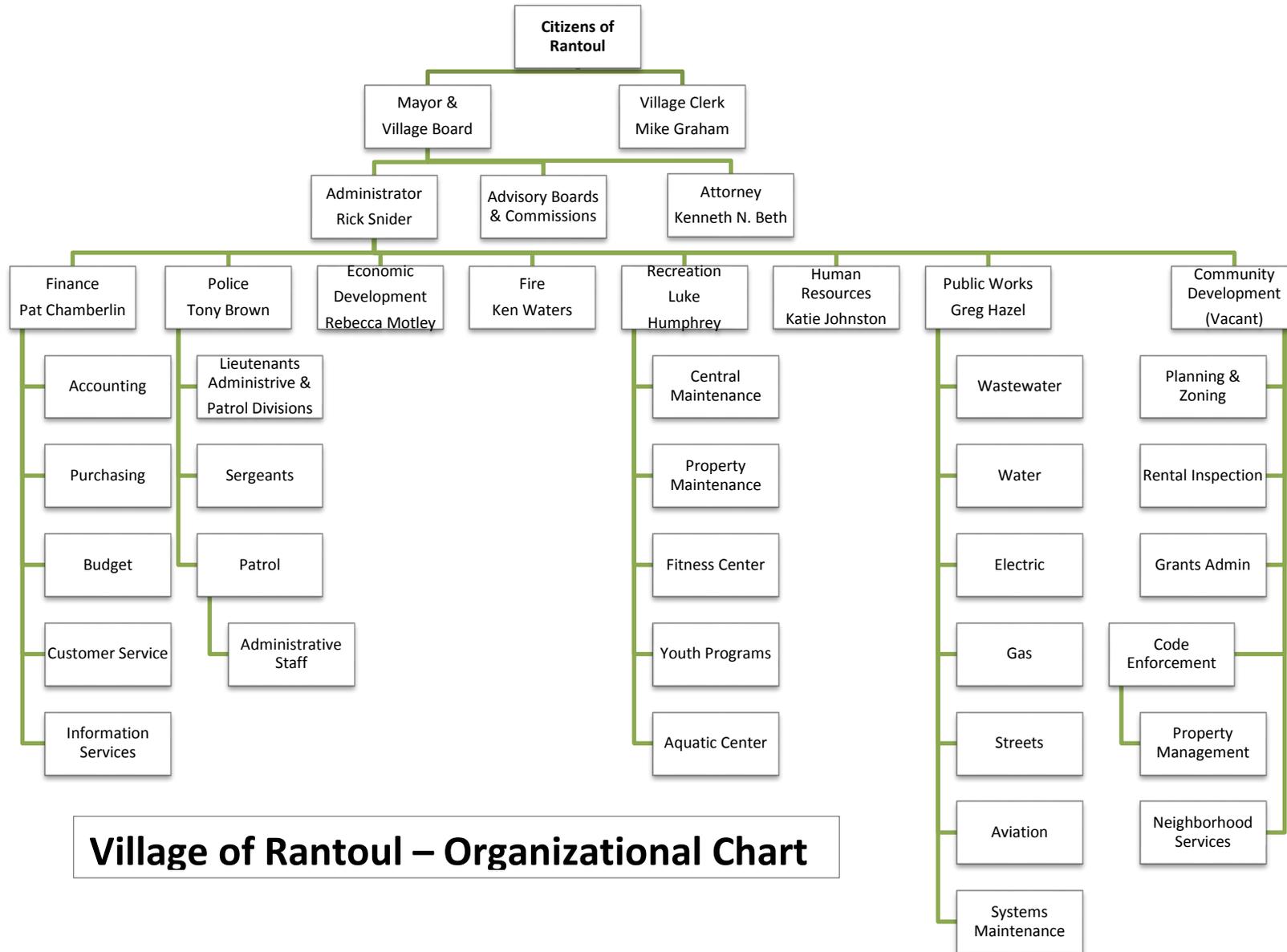
### Public Works Department

- Provides guidance on infrastructure needs in the community
- Bidding for CDBG funded infrastructure projects
- Project construction monitoring and inspection for CDBG funded infrastructure projects

### Community Development Department

- Prepares draft budgets
- Writes and submits the Consolidated Plan (and amendments), Annual Action Plan (and amendments), and Consolidated Annual Performance and Evaluation Report
- Completes environmental review records
- Requests purchase orders
- Reviews housing rehabilitation applications

- Oversees the housing rehabilitation projects and program
- Contract signer for housing rehab and demolition projects
- Provides technical assistance to subrecipient agencies
- Compliance monitoring of subrecipient agencies
- Annually update social service funding application
- Reviews social service applications and submit to Citizen Advisory Committee
- Submits various HUD and CDBG reports such as Quarterly Cash Transaction; Women & Minority Business; Davis-Bacon; and Section 3 & Equal Opportunity
- Research and apply for non-HUD grant funding



**Village of Rantoul – Organizational Chart**

## **CITIZEN PARTICIPATION PLAN**

The Village of Rantoul is a participating entitlement jurisdiction with HUD in receiving CDBG funding. As such, citizens, public agencies and other interested parties are guaranteed a role in the development and review of plans and performance reports and further, shall have access to certain records and technical assistance. The Citizen Participation Plan (CPP) sets forth those procedures.

The CPP will be updated on the same time cycle as the Consolidated Plan and will be approved as a stand-alone document by the Rantoul Village Board.

### ENCOURAGEMENT OF CITIZEN PARTICIPATION

The plan will encourage:

- Citizens, public agencies and other interested parties to participate in the development and review of the Consolidated Plan, and its amendments; Annual Action Plan, and its amendments; Environmental Review Record; and Consolidated Annual Performance and Evaluation Report.
- Participation by low and moderate income persons living in slum and blighted areas and in areas where CDBG funds are proposed to be used and residents of predominately low and moderate income neighborhoods.
- Participation of all citizens of the Village, including minorities and non-English speaking persons, as well as persons with disabilities.
- In conjunction with the Champaign County Housing Authority (HACC), participation of residents in public and assisted housing developments in the process of developing and implementing the consolidated plan, along with other low income residents of targeted revitalization areas in which the developments are located. The Village will provide information to the HACC about its Consolidated Plan activities related to its developments so that the HACC can make this information available to their residents.
- The Mayor and Village Board may designate target areas with the Village of Rantoul which have 51.0% or more low to moderate income individuals.

### CITIZEN ADVISORY COMMITTEE

The objective and purpose of the Citizen Advisory Committee (CAC) of the Village of Rantoul shall primarily be to administer the citizen participation requirements of the Housing and Community Development Act of 1974, as amended. Further, it shall: prepare and recommend grant applications for CDBG funding to the Mayor and Village Board; monitor the progress of all funded programs; and make recommendations to the Mayor and Village Board regarding the implementation of CDBG funded programs.

- A. Structure of the Citizens Advisory Committee
  1. The community-wide CAC shall be appointed by the Mayor with the approval of the Rantoul Village Board. The membership shall consist of seven (7) citizens of the Village of Rantoul.
  2. Membership to the CAC should represent the following groups: lower income, minority, elderly, and disabled.
  3. Terms – the term of CAC members shall be four (4) years, subject to annual re-appointment by the Mayor and Village Board.
  4. In the event that any CAC member misses three (3) consecutive meetings and upon the recommendation of the CAC Chairperson, the Mayor may remove that member and fill the vacancy. Generally, if any such member represents a specific interest group, he/she shall be replaced by a person representing the same group. Voluntary resignations shall be handled in a similar manner.
  5. If any member of the CAC ceases to be eligible for membership in said Committee, the Village Board of Trustees shall appoint a new member to fill the vacancy.
- B. Organization of the CAC
  1. The Committee shall select a Chairperson and a Vice-Chairperson.
  2. The Committee will not have regular meetings, but will meet during the development of the Consolidated Plan/Annual Action Plan and the Consolidated Annual Performance and Evaluation Report. Other meetings may be conducted on an as-needed basis.
  3. The Community Development Department shall be the staff for the CAC.
- C. Role of the CAC
  1. At their meetings, the CAC shall be responsible for encouraging of citizen participation from all citizens, public agencies and other interested parties including minorities, low/moderate income persons and non-English speaking persons.
  2. The CAC shall be responsible for citizen participation prior to making recommendations to the Mayor and Village Board on the following items, including but not limited to:
    - a. The Five-Year Consolidated Plan, including the identification of community development and housing needs and the setting of priorities.
    - b. Annual Action Plan of projects that are consistent with the Consolidated Plan.
    - c. Subsequent minor and substantial amendments to approved programs in the Consolidated Plan and Annual Action Plan.
    - d. The annual CDBG Program and CDBG budget.
    - e. The Consolidated Annual Performance and Evaluation Report to monitor the progress of CDBG funded programs.
  3. The CAC shall be responsible for recommending to the Mayor and Village Board, policy and methods of implementing CDBG projects.
  4. The CAC shall participate in the preparation of the Consolidated Annual Performance and Evaluation Report (CAPER) by soliciting views concerning the effectiveness of various CDBG projects.

5. All meetings of the CAC shall be conducted in an open manner, with freedom of access to all interested persons. Dates, times and locations of all meetings shall be printed in the *Rantoul Press*, and with the Rantoul Village Clerk in a manner consistent with the Illinois Freedom of Information Act, as amended.

## RESPONDING TO CITIZEN COMMENTS, VIEWS AND OBJECTIONS

- A. Program Recommendations, Requests and Objections
1. Recommendations, requests and/or objections may be submitted to the CAC for consideration from interested citizens, agencies and/or organizations at any time during the program year.
  2. Written responses shall be made to these written recommendations, requests and/or objections within fifteen (15) working days after a determination by the CAC at its meeting.
  3. Written comments, requests, and/or inquiries which require a response to general information and/or clarification of the CDBG program can be handled by staff in the Community Development Department. The response time shall be within the guidelines of the Illinois Freedom of Information Act; but not more than fifteen (15) working days of the receipt of the written comment, request and/or inquiry, where practicable.
  4. All written responses to written recommendations, requests and/or objections shall state reasons for action taken or, in the case of staff response, shall make specific reference to pertinent sections of CDBG legislation.
  5. Whenever practical, responses should be made prior to the end of the comment period as stated in the advertisements and announcements on the development of the Consolidated Plan, Annual Action Plan, Environmental Review Record, and/or the Consolidated Annual Performance and Evaluation Report for which the written recommendation, request and/or objection was offered.
  6. Written recommendations, requests and/or objections not offered at officially called meetings of the CAC, shall be addressed to the Rantoul Community Development Department, 333 South Tanner Street, Rantoul, Illinois 61866.
- B. Objections may also be made, in writing, to HUD. HUD will consider objections only on the following grounds:
1. The applicant's description of needs and objectives is plainly inconsistent with available facts and data; or
  2. The activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant; or
  3. The applicant does not comply with the requirements of HUD or other applicable laws; or
  4. The application proposes activities which are ineligible.
  5. Objections sent to HUD shall be sent to: U.S. Department of Housing and Urban Development, Office of Community Planning and Development, 77 West Jackson Boulevard, Chicago, Illinois 60604.

Objections shall include identification and documentation of requirements not met and where data is objected to, new data shall be offered.

Objections to a particular application should be submitted within thirty (30) days of the publication of the combined Notice of Release of Funds and Finding of No Significant Impact.

- C. Citizen Comment to Federal and State Agencies
  1. HUD will consider citizen objections to the CDBG Program at any time.
  2. Citizens may comment to HUD at any time concerning Rantoul's failure to comply with any of the Citizen Participation Requirements of the Citizen Participation Plan
- D. Should the Community Development Department, for whatever reason, not be handicapped accessible, a copy of the Citizen Participation Plan, the proposed and approved Consolidated Plan and Annual Action Plans, and the most recent Consolidated Annual Performance and Evaluation Report, shall be on file with the Rantoul Village Clerk.
- E. Technical Assistance Shall be Offered to Facilitate Citizen Participation
  1. Assistance shall be provided to citizen organizations, groups of low/moderate income persons, groups of residents in existing neighborhood target areas and nonprofit agencies who provide a service to low and moderate income individuals.
  2. Assistance may be provided to citizens in organizing and operating neighborhood and project area organizations to carry out CDBG activities.
  3. Requests for assistance shall be made, in writing, to the CAC or Community Development Department, specifying the type of assistance required and the reasons for assistance.
  4. The extent of assistance offered shall be determined by the Mayor and Rantoul Village Board. Such determination may be made at the recommendation of the CAC or Village Administrator.
  5. The Mayor and Village Board shall consider all the resources of the Village and shall generally not overextend staff or budgets when offering assistance.
  6. The staff selected to provide technical assistance shall be jointly selected by the Village and the organizations and groups to be assisted.
  7. Technical assistance may be either provided directly by the Village or through arrangements with public, private or non-profit entities.

#### AVAILABILITY OF RECORDS

- A. The Village will provide the Consolidated Plans, ad adopted, substantial amendments, and the performance reports will be available to the public, including the availability of materials in a form accessible to persons with disabilities, non-English speaking residents, upon request where practical.
  1. The Village shall maintain records pertaining to the CDBG Program in the Municipal Building for a period of five (5) years.
  2. Documents on file with the Community Development Department shall include:
    - a. All mailings and promotional information.
    - b. Records of hearings and meetings of the CAC.
    - c. All key documents, including but not limited to: letters of approval, grant agreements, the citizen participation files, performance reports, evaluation reports, other reports as required along with the proposed and final statements for the current year.
    - d. CDBG regulations and issuances governing the program.

- e. Other important program requirements such as contracting procedures, environmental policies, fair housing and other equal opportunity requirements and relocation provisions.
3. Documents on file with the Village of Rantoul Comptroller's Office shall include:
  - a. Copies of all construction contracts.
  - b. All financial data indicating expenditures of CDBG funds.
4. All records shall be available for inspection between the hours of 8:00 a.m. and 5:00 p.m. during normal working days.
5. Requests for copies of any available records shall be made, in writing pursuant to the established Village policy, through the Rantoul Village Clerk's Office. The current fee schedule for copying records shall be applicable.

## **RANTOUL'S CDBG CALENDAR**

May 1 – Fiscal Year Starts.

May 15 – Public Service Agency Second Progress Report Due.

Mid-June through Mid-July – Public Comment Period for CAPER.

3<sup>rd</sup> Week July – Citizens Advisory Committee Meeting to review CAPER.

July 30<sup>th</sup> – Consolidated Annual Performance & Evaluation Report due. Submit to Chicago CPD Office.

July 30<sup>th</sup> – Annual Section 3 Report (Economic Opportunities for Low and Very-Low Income Persons) due. Include a copy with the CAPER to the Chicago CPD Office.

July 30<sup>th</sup> - Federal Cash Transaction Quarterly Report due. Submit to Chicago CPD Office.

August 15 – Public Service Agency Third Progress Report Due.

1<sup>st</sup> Week September – Begin compiling the environmental review record for the starting public service grants.

September 1-20 – Write draft subrecipient agreements for public service agency programs.

September 20<sup>th</sup> – Deadline to submit copies of draft public service subrecipient agreements and a cover memo to the Rantoul Village Clerk for inclusion on the October Rantoul Village Board Meeting. Have agreements signed by Mayor and Village Clerk.

September 30 – Deadline to have public service environmental reviews completed and placed in the individual project files.

Second Tuesday of October – Rantoul Village Board votes to approve or deny public service agreements.

October 15<sup>th</sup> – Submit Semi-Annual Labor Standards Enforcement Report to HUD Labor Office in Chicago.

October 15<sup>th</sup> – Annual Minority and Women Contractors Report due. Submit to Chicago CPD Office.

Third Week October – Send subrecipient agreements to the social service agencies for signature.

Fourth Week October – Send reporting forms to public service subrecipients after they return the enacted agreement.

October 31<sup>st</sup> - Federal Cash Transaction Quarterly Report due. Submit to Chicago CPD Office.

November 1 – Public Service Agency Subrecipient Agreements start.

Second Week November – Release public service funding application.

November 15 – Public Service Agency Fourth Progress Report Due.

First Week December – Training for Public Service Funding Application.

First Week January – Receive funding applications from public service agencies.

Second Week January to Third Week February – Public Comment Period for ConPlan/AAP.

Third Week January – Citizens Advisory Committee meeting to review applications for social service funding.

January 31<sup>st</sup> - Federal Cash Transaction Quarterly Report due. Submit to Chicago CPD Office.

Third Week February – Citizens Advisory Committee Meeting to make a CDBG funding recommendation to the Rantoul Village Board.

February 15 – Public Service Agency First Progress Report Due.

Mid-February through March – Monitoring Visits for public service subrecipients.

Second Week March – Rantoul Village Board approval/denial of ConPlan/AAP submittal.

April 1<sup>st</sup> – Begin compiling the environmental review record for the upcoming year's CDBG Administration and Housing Rehabilitation Program Delivery.

April 15<sup>th</sup> – Submit Semi-Annual Labor Standards Enforcement Report to HUD Labor Office in Chicago.

April 30<sup>th</sup> – Environmental review records for CDBG Administration & Housing Rehabilitation Program Delivery must be completed, appropriately signed, and placed in the CDBG Administration Environmental Review File.

April 30<sup>th</sup> – Deadline for completing the environmental review records for the upcoming CDBG Administration and Housing Rehabilitation Program Delivery. Place in the Administration Environmental Review file.

April 30<sup>th</sup> – Federal Cash Transaction Quarterly Report due. Submit to Chicago CPD Office.

## **CONSOLIDATED PLAN ADOPTION**

Prior to adoption of a Five Year Consolidated Plan, the Village will make available to interested citizens, agencies, groups and other interested parties the following:

- Information that includes the amount of grant funds and program income it expects to receive.
- The range of activities that may be undertaken.
- The estimated amount that will benefit persons of low and moderate income.
- Set forth plans to minimize displacement of persons and to assist any person displaced, specifying the types and levels of assistance that will be made to persons displaced and by whom the assistance will come from.
- Publication of the proposed Consolidated Plan in a manner that affords all citizens a reasonable opportunity to examine its contents and submit comments.
- Publish the proposed Consolidated Plan or its Summary in the *Rantoul Press*. The Summary will describe the contents and purpose of the proposed Consolidated Plan and include a list of locations where copies of the entire proposed Consolidated Plan may be examined.
- The Village will provide free copies of the proposed Consolidated Plan to citizens and groups that request it.
- Make copies of the proposed Consolidated Plan and Summary available at the Rantoul Community Development Office and at the Rantoul Public Library.
- Provide a thirty (30) day period of review and to receive comments from interested citizens, agencies and/or groups on the proposed Consolidated Plan.
- The Village shall consider any comments or views of interested citizens, agencies and/or groups received in writing and/or orally at the public hearing, in preparation of the final Consolidated Plan. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall be attached to the final Consolidated Plan. Public hearings will be held at the Rantoul Municipal Building, which is accessible to those with disabilities. Upon request, non-English speaking residents will be met in the case of a public hearing where a significant number of non-English speaking residents can be reasonable expected to participate, where practical.
- Provide a copy of the proposed Consolidated Plan and Summary on the Community Development Department's page on the Village of Rantoul's website.
- Provide a copy of the approved Consolidated Plan and Summary on the Community Development Department's page on the Village of Rantoul's website.

The CAC shall conduct public meetings with interested citizens, agencies and/or groups and at least one public hearing prior to the development of the Five Year Consolidated Plan.

1. Meetings shall be held to encourage the submission of views and recommendations prior to the formulation of the Consolidated Plan.
2. There shall be a thirty (30) day review period from the date of notice in the newspaper for interested citizens, agencies and/or groups to submit their comments.

3. Public meetings may be held at selected sites convenient to the residents of the Village of Rantoul, including the handicapped, with particular emphasis on participation by low and moderate income residents.
4. Following the conduct of the public hearing on the development of the Consolidated Plan, the Village of Rantoul must certify that the following assurances have been met:
  - a. The Village of Rantoul has prepared and followed a written Citizen Participation Plan that meets the requirements of the Federal Regulations.
  - b. The Village of Rantoul has provided adequate notices of public hearings as required by the Citizen Participation Plan.
  - c. The Village of Rantoul has held a hearing on the proposed Consolidated Plan before adoption of a resolution by the Rantoul Village Board for submission to HUD.
5. The Consolidated Plan must be submitted to the HUD Chicago Office of Community Planning and Development for review and approval at least forty-five (45) days before the start of the Village's program year, which is March 15. The Village of Rantoul's program year is May 1 to April 30.

#### ANNUAL ACTION PLAN

1. The CAC shall solicit views of all citizens, agencies and other interested parties; particularly low and moderate income persons, so as to enable them to be meaningfully involved in important discussions at various stages of the Consolidated Plan and Annual Action Plan process.
2. The CAC shall determine, based on the Consolidated Plan and public comments, what portion of the CDBG funding will be:
  - a. Discretionary CDBG funding – Upon notice from HUD on the amount of CDBG funds that the Village will receive, the CAC will schedule a public hearing to review high-priority goals identified in the Consolidated Plan, and determine how CDBG funding will be used to accomplish them.
  - b. Administrative – The maximum 20.0% of the CDBG grant will be used for administrative purposes.
  - c. Public Service Funding – The maximum 15.0% of the CDBG funds will be used to provide social services to low and moderate income residents. An application process for these funds will annually begin in November.
  - d. Carry-Over Funding – These funds will be held from previous program years to complete projects that have been approved, but not yet completed.

#### DEVELOPMENT OF THE ANNUAL PLAN

Annually in January, the CAC shall meet to review applications for public service funding. The CAC, at its next meeting, will make CDBG funding recommendations to the Rantoul Village Board. Upon approval of the Rantoul Village Board, staff in the Community Development Department will prepare the Annual Plan for submission to HUD.

The Annual Plan shall include:

- Form Application – Standard Form 424
- Federal and Other Resources Available

- Activities to be Undertaken
- Geographic Distribution
- Homeless and Other Special Needs Activities
- Other Actions
  - Address obstacles in meeting underserved needs, such as foster and maintain affordable housing, remove barriers to affordable housing, evaluate and reduce lead-based paint hazards, reduce the number of poverty level families, develop institutional structure and enhance coordination between public and private housing and social service agencies and foster public housing improvements and resident initiatives.
  - Reference to the annual revisions of the action plan prepared for the CDBG funds expected to be available during the program year including any program income that will have been received before the start of the next program year and that has not yet been programmed.
  - Amendments to the Consolidated Plan.

The Annual Plan is due at HUD no less than forty-five (45) days before the start of the Village's program year, which is March 15. An advertisement shall be published in the *Rantoul Press*, no less than 30-days before the CAC makes their final CDBG funding recommendation to the Rantoul Village Board. This will provide a thirty (30) day period for review and to receive comments from interested citizens, groups and/or agencies on the proposed Annual Plan. The Village shall consider any comments or views of citizens, agencies and/or groups received in writing and/or orally at the public hearing(s), in preparation of the final Annual Plan. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall be attached to the final Annual Plan. Public hearings will be held in venues accessible for those with disabilities. Upon request, non-English speaking residents will be met in the case of a public hearing where a significant number of non-English speaking residents can be reasonable expected to participate, where practical.

#### PROGRAM AMENDMENTS

Prior to making any additions, deletions, or changes to the CDBG Program Consolidated Plan, the following determination will be made on the amendment:

If the proposed change is a minor amendment defined as an amendment to the program that costs less than 10.0% of the total current year grant and only affects an activity previously described in the Consolidated Plan and Annual Plan

OR

The proposed change is a substantial amendment when:

- a. The amendment makes changes in its allocation priorities or a change in the method of distribution of funds;

- b. The amendment carries out an activity, using funds from any program covered by the Consolidated Plan (including program income), not previously described in the action plan; or
- c. The amendment changes the purpose, scope, location or beneficiaries of an activity.

Once a determination has been made, based on the above criteria, one of the two following procedures will be undertaken:

1. Minor Amendment – The staff of the Rantoul Community Development Department will seek an approval from the CAC; and subsequent to the CAC’s decision, a final approval shall be sought from the Rantoul Village Board for any minor amendment to the Village’s CDBG Program and will be noted in the Annual Plan.
2. Substantial Amendment – The staff of the Rantoul Community Development Department will, pursuant to the CDBG Regulations (24 CFR 570), undertake the following amendment process for any proposed substantial amendment to the Consolidated Plan;
  - a. Provide a reasonable notice of public hearing on the proposed amendment to the Consolidated Plan by publishing a display ad in the Rantoul Press.
    - i. The notice shall provide a description of the amendment.
    - ii. Be published at least thirty (30) days prior to the public hearing.
  - b. Allow citizens, agencies and/or groups the opportunity to comment on the proposed amendment in writing and/or verbally at a public hearing which will be held by the CAC. Public hearings will be held in venues accessible for those with disabilities. Upon request, non-English speaking residents will be met in the case of a public hearing where a significant number of non-English speaking residents can be reasonable expected to participate, where practical.
  - c. Consider interested citizens, agencies and/or group’s comments when finalizing the proposed amendment.
  - d. Seek approval from the CAC on the proposed activity(ies) which comprise the proposed amendment; and seek subsequent approval from the Rantoul Village Board.
  - e. Forward a descriptive amendment to the Consolidated Plan on the adopted amendment with a signed transmittal letter signed by the Mayor to HUD.
3. All amendments require the approval of the Rantoul Village Board. The CAC only has the authority to provide recommendations.

#### CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT

The Consolidated Annual Performance and Evaluation Report (CAPER), which is a requirement of HUD pursuant to 24 CFR Part 91, is due for submission at HUD within ninety (90) days of the close of the Village’s program year, which is the 30th day of July each year. The purpose of the CAPER is to provide HUD with necessary information to assess the Village’s ability to carry out its programs in compliance with applicable regulations and requirements; provide information

necessary for HUD to report to Congress; and, provide the Village with an opportunity to describe its program achievements to interested citizens, agencies and/or groups.

A display advertisement shall be published in the Rantoul Press no later than the 8<sup>th</sup> day of July stating that a draft of the CAPER is available for review. This will provide a fifteen (15) day period for review and to receive comments from interested citizens, agencies and/or groups on the proposed CAPER. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall also be attached to the final CAPER.

The Village of Rantoul shall consider any comments or views of citizens, agencies and/or groups received in writing and/or orally at the public hearing conducted by the CAC, in preparation of the CAPER. The public hearing time and location will be included in the advertisement mentioned in the previous paragraph. A summary of comments and views received and a summary of comments and views not accepted and the reasons therefore, shall be attached to the final CAPER.

## **PUBLIC SERVICE ACTIVITIES**

Unless changed by the Mayor, Village Board, or the Village Administrator, the application process shall occur on the following timeframe:

- Second Week November – Release public service funding application.
- First Week December – Training for Public Service Funding Application.
- First Week January – Receive funding applications from public service agencies.
- Third Week January – Citizens Advisory Committee meeting to review applications for social service funding.
- Third Week February – Citizens Advisory Committee Meeting to make a CDBG funding recommendation to the Rantoul Village Board.
- Second Week March – Rantoul Village Board approval/denial of ConPlan/AAP submittal.

## APPLICATION EVALUATION CRITERIA

The part of the Village of Rantoul’s Citizens Advisory Committee public service evaluation process includes scoring the applications on a 25 point scale. The scoring system is a starting point for the award decision. Other factors such as the presentation to the committee and the availability of funds affect the ultimate decision.

Applications are scored on:

1. Community Need and Program Benefit – 10 points maximum
2. Project Soundness – 5 points maximum
3. Organizational Capacity – 5 points maximum
4. Financial Feasibility – 5 points maximum

Within the application, all applicants must provide their Data Universal Numbering System (DUNS) number, which is assigned by Dun and Bradstreet, Inc.

## SUBRECIPIENT AGREEMENTS & REPORTING PROCESS

1. Environmental reviews for each program will be completed before September 30.
2. Draft subrecipient agreements will be completed each September.
3. Submit the draft agreements and a village board cover memo to the Rantoul Village Clerk for inclusion in the October village board agenda.
4. Rantoul Village Board is scheduled to vote on the agreements on the second Tuesday of October.
5. Obtain the Mayor and Village Clerk’s signatures on the approved agreements.
6. Signed copies of the agreement will be forwarded to the public service agency subrecipient for review and signature.
7. Subrecipient will return one agreement that has been signed by the agency and the Village of Rantoul.
8. Create a purchase order for the enacted and returned agreements.
9. Reporting forms will be sent to the subrecipients after the signed agreement is returned to the Community Development Department.

10. Subrecipients are required to submit periodic progress reports. The frequency of report submissions will be in the subrecipient agreement.
11. Subrecipient agencies must be current with their periodic progress reports in order to receive reimbursement of expenses.
12. An on-site monitoring visit will be completed after the first periodic report is submitted. All major violations must be corrected before the reimbursement is made. A monitoring visit will be based upon HUD's Monitoring Workbook.

## **ENVIRONMENTAL REVIEW RECORD**

The Village of Rantoul must prepare and maintain a written record of the environmental review undertaken for each project. This written record or file is called the Environmental Review Record (ERR), and it must be available for public review upon request.

The ERR shall contain all of the environmental review documents, public notices (and proof of their publication if necessary), and written determinations or environmental findings required by 24 CFR Part 58 as evidence of review, decision making and actions pertaining to a particular project.

The document shall:

- Describe the project and each of the activities comprising the project, regardless of individual activity funding source; and
- Evaluate the effects of the project or the activities on the human environment; and
- Document compliance with applicable statutes and authorities; and
- Record the written determinations and other review findings required by 24 CFR Part 58.

The ERR will vary in length and content depending upon the classification level of review required for the classification of activities.

The four environmental classification levels are:

- Exempt Activities,
- Categorically Excluded Activities,
- Activities Requiring an Environmental Assessment, or
- Activities Requiring an Environmental Impact Statement.

All activities' ERR must be completed before it can be funded in IDIS.

- For public service grant activities, the environmental review record must be completed and placed in the file before a grant agreement may be signed.
- For projects that require the solicitation of bids, the environmental review record must be completed and placed in the file before the bid document(s) are released.

Environmental review records are created through HUD's Environmental Review Online System (HEROS), which is a part of HUD's Integrated Disbursement & Information System (IDIS). All users of HEROS must obtain a user identification and initial password from HUD's Region V Environmental Officer. The current environmental officer is Melanie Castillo and she may be contacted at (312) 913-8723 or via e-mail at [Melanie.H.Castillo@hud.gov](mailto:Melanie.H.Castillo@hud.gov).

## **PROCUREMENT POLICIES**

The procurement of goods and services by government entities at a minimum must follow the standards and procedures set forth in 2 CFR 200, Subpart D: Procurement Standards.

The following regulations must also be followed:

- 24 CFR Part 85: Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments
- 24 CFR Part 84: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.
- Chapter 14 of the Village of Rantoul's Code of Ordinances

These standards are to ensure that purchases of materials and services are obtained efficiently, economically, and in compliance with the provisions of applicable federal law.

The procurement of contractors for the Housing Rehabilitation Program shall be completed by the Champaign County Regional Planning Commission, and shall be completed by a competitive procurement process.

The procurement of demolition contractors for the Demolition Program shall be completed by the Community Development Department with the assistance of the Rantoul Inspection Department and the Village of Rantoul's Comptroller's Office; and shall be completed by a competitive procurement process.

The selection of public service programs shall be completed through a competitive procurement process through the Community Development Department.

The procurement of other goods and services, other than office supplies shall be completed by the Village of Rantoul Comptroller's Office.

### DEBARRED CONTRACTOR SEARCH

The U.S. Government provides a list of Parties Excluded from Federal Procurement or Non-Procurement Programs (aka Debarred List) at the following website: [www.sam.gov](http://www.sam.gov).

Each bidder should be searched and reviewed prior to bid opening. If a bidder is found to be on the debarment list, the Village of Rantoul will not open the bid; will not do business with that person or company; and the Village of Rantoul will not reimburse the bidder for any costs.

Another search of the debarment list will be conducted before signing the contract.

A copy of each individual search must be printed and saved.

### SECTION 3 – WOMEN AND MINORITY OWNED BUSINESSES

It is a national policy to award a fair share of contracts to small, women and minority business firms. Accordingly, affirmative steps must be taken to assure that small and minority/women businesses are utilized when possible as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:

1. Including qualified small and minority/women businesses on solicitation lists.
2. Assuring that small and minority/women businesses are solicited whenever they are potential sources.
3. When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority/women business participation.
4. Using the services and assistance of the Small Business Administration, Illinois Department of Central Management Services' Business Enterprise Program, Illinois Black Chamber of Commerce, and Illinois Hispanic Chamber of Commerce.
5. Establish a project schedule, where the requirement permits, which encourages participation by small and minority business, and women's business enterprises.
6. If any subcontracts are to be let, requiring the prime contractor to take affirmative steps 1 through 5 above.

### DAVIS-BACON WAGE RATES

The Davis-Bacon Act requires the payment of prevailing wage rates, which are determined by the U.S. Department of Labor, to all laborers and mechanics on Federal government construction projects in excess of \$2,000. Construction includes alterations and/or repair, including painting and decorating of public buildings or public works.

The Davis-Bacon Act applies to CDBG funded housing rehabilitation only if the number of units rehabbed is 8 or more.

1. Obtain wage decision and place in bid documents.
2. If a work classification is needed and is not on the wage decision, it needs to be requested from HUD and/or the US Dept. of Labor.
3. Forward any updates to wage decisions to potential bidders.
4. Award Bid.
5. Wage decision on date of contract signing is final wage rate the contractor must pay.
6. Contractor posts a copy of wage decision and other Davis-Bacon related notices at job site.
7. Contractor must submit weekly certified payrolls to CDD on Department of Labor form WH-347 or equivalent form.
8. Throughout the construction, CDD will conduct on-site interviews with employees.

"No Work" payrolls may be submitted whenever there is a temporary break in the work. If work will not be taking place for an extended period of time, then a short letter can be sent to CDD stating when work will halt and when work will resume. The Prime/General Contractor is

responsible for subcontractors on the contract and will be held responsible for any wage restitution that may be found due.

All payroll reports and any basic records such as, but not limited to time cards, tax records, fringe benefit payments must be retained for at least 5 years after the project is completed. These records must be made available for review to any authorized representative of HUD or the Department of Labor.

All Davis-Bacon Act requirements must be met before a project can be classified as “completed” and final payments made to the Contractor.

### CONFLICT OF INTEREST

All Village of Rantoul staff need to ensure that a conflict of interest does not exist.

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

- An employee, agent or officer of the Village of Rantoul;
- Any member of an employee’s, agent’s or officer’s immediate family;
- Any employee’s, agent’s or officer’s partner; or
- An organization that employs or is about to employ an employee, agent, or officer of the Village of Rantoul.

Village of Rantoul will not hire or do business with a person or firm where a conflict of interest exists. Village of Rantoul’s attorney can assist whether a conflict of interest exists.

### HOUSING REHABILITATION PROJECTS UNDER \$25,000

1. Bid documents provided to a list of pre-approved rehabilitation contractors.
2. Pre-bid conference conducted on-site.
3. Within 14 days of the pre-bid conference, bids are received and publically opened.
4. Rehabilitation Specialist verifies that all bid submitters are not listed on the federal debarred contractor listing located at: [www.sam.gov](http://www.sam.gov).
5. Property owner chooses contractor from all non-debarred bidders within 10% of the rehabilitation cost estimate.
6. If no bids are within 10% of the cost estimate, the work description is reviewed, possibly modified and resent to eligible contractors.
7. If only debarred contractors submit bids, then the Community Development Department will work with the Inspection Department and Comptroller’s Office to find eligible contractors.
8. A rehabilitation contract is entered into by the property owner, contractor, and Rantoul Community Development Department.
9. Copy of the signed contract is provided to the Rantoul Community Development Director to create a project code, purchase order and reserve the funding in the NavilLine accounting computer system, along with IDIS.

10. Copies of approved change orders will be provided to the Community Development Director to amend the purchase order and to reserve the amended amount of funding in IDIS.

#### HOUSING REHABILITATION PROJECTS EXCEEDING \$25,000

1. Bid documents provided to a list of pre-approved rehabilitation contractors.
2. Pre-bid conference conducted on-site.
3. Within 14 days of the pre-bid conference, bids are received and publically opened.
4. Rehabilitation Specialist verifies that all bid submitters are not listed on the federal debarred contractor listing located at: [www.sam.gov](http://www.sam.gov).
5. Property owner chooses contractor from all bids within 10% of the rehabilitation cost estimate.
6. If no bids are within 10% of the cost estimate, the work description is reviewed, possibly modified and resent to eligible contractors.
7. If only debarred contractors submit bids, then the Community Development Department will work with the Inspection Department and Comptroller's Office to find eligible contractors.
8. Rehabilitation contract must be approved by the Village of Rantoul Board of Trustees.
9. A rehabilitation contract is entered into by the property owner, contractor, and Rantoul Community Development Department.
10. Copy of the signed contract is provided to the Rantoul Community Development Director to create a project code, purchase order and reserve the funding in the NaviLine accounting computer system along with IDIS.
11. Copies of approved change orders will be provided to the Community Development Director to amend the purchase order and to reserve the amended amount of funding in IDIS.

## **VILLAGE CONTRACTING AND PURCHASE ORDER PROCESS**

The steps below show the review that non-housing rehabilitation contracts go through before a project can be started or any funds can be requested.

1. After an organization has been awarded CDBG funds, the Community Development Director begins to customize a contract which the program will have to adhere to.
2. The Village Attorney will review the draft contract for legalities.
3. The Comptroller's Office will determine the level of insurance required for an activity. The recipient of the funds must provide the Village of Rantoul a Certificate of Insurance. The Village of Rantoul needs to be listed as additionally insured.
4. Two original copies of the agreement are signed by the Village of Rantoul and the recipient of the funds.
5. The signed contract is required to create a purchase order and reserve funds in the NaviLine accounting system for the agency operating the program.
6. The signed contract is required to reserve the CDBG funding in IDIS.

### INSURANCE REQUIREMENTS

The agency receiving CDBG funding must maintain during the entire period of their performance under their contract the following minimum insurance:

<u>TYPE</u>	<u>MINIMUM LIABILITY AMOUNTS</u>
Comprehensive General Liability Including Products/Completed Operation Hazard	Bodily Injury \$1,000,000/person Property Damage - \$500,000 per Occurrence OR \$1,000,000 Combines Single Limit
Worker's Compensation	Illinois Statutory Requirements
Comprehensive Automobile Liability	\$500,000 per person \$1,000,000 per Accident \$500,000 Property Damage or \$1,000,000 Combined Single Limit

## **CONTRACT EXTENSIONS**

The Village of Rantoul CDD will consider extending and/or making amendments to contracts on a case-by-case basis. The CDD will not consider amendments that significantly alter the scope of the project. The CDD will only consider extensions prior to the expiration of the contract.

The CDD will not grant extensions to public service subrecipient agreements.

Steps needed to extend or amend Housing Rehabilitation contracts:

1. Decision to extend/amend a housing rehabilitation contract is made by the Housing Rehabilitation Specialist.
2. Prior to the expiration of the contract, a written request to extend/amend a contract must be submitted to the Housing Rehabilitation Specialist. It shall include the reason the extension/amendment is needed, the proposed changes, and the timeframe needed to complete the project.
3. The Housing Rehabilitation Specialist may request additional information to make the decision.
4. If the contract is not extended or amended, the Housing Rehabilitation Specialist will notify the contractor in writing.
5. If the contract is extended or amended, the Housing Rehabilitation Specialist will write the extension/amendment agreement.
6. The extension/amendment must be signed by the property owner, contractor, and the Housing Rehabilitation Specialist.

Steps needed to extend or amend other contracts:

1. Decision to extend/amend a CDBG funded project is made by the Rantoul Village Board.
2. Prior to the expiration of the contract, a written request to extend/amend a contract must be submitted to the Community Development Director. It shall include the reason the extension/amendment is needed, the proposed changes, and the timeframe needed to complete the project.
3. The Community Development Director may request additional information to make a recommendation to the Rantoul Village Board.
4. If the contract is not extended or amended, the Community Development Director will notify the contractor in writing.
5. If the contract is extended or amended, the Community Development Director will write the contract extension/amendment agreement.
6. The extension/amendment must be signed by the contractor, property owner (if applicable), and the Village of Rantoul.

## **CHECK REQUEST AND DRAWDOWN PROCEDURES**

### FOR INVOICES LESS THAN \$25,000.

1. Invoice submitted to the Community Development Director.
2. For housing rehabilitation projects, the Community Development Department shall receive the completed project file from the Champaign County Regional Planning Commission and review for completeness, including change order documentation and final inspection report.
3. Community Development Director reviews invoice for accuracy, documentation and for project completion.
4. Community Development Director forwards the original invoice and project code, line item to be charged, purchase order number (if applicable), and amount to be paid, to the Inspection Department Administrative Assistance for entry into the Naviline Accounting System.
5. Within the Naviline Accounting System, the invoice must be approved for payment by the Community Development Director, Comptroller, and Village Administrator.
6. Every other week, the Comptroller's Office provides the Community Development Department a listing of all checks to be created. Community Development Director provides written approval of the checks on a form provided by the Comptroller's Office, to the Village Administrator's Office.
7. Community Development Director identifies the checks listed on the Comptroller's list by HUD's Integrated Disbursement and Information System (IDIS) project code number.
8. Listing of checks, with IDIS codes, is provided to the Inspection Department's Administrative Assistant to request a drawdown of the funds in IDIS.
9. Listing of checks, with IDIS drawdown receipt numbers, is given to the Community Development Director for final drawdown approval.
10. Community Development Director approves the drawdown in IDIS, signs his approval on the check listing, and files the check listing in the appropriate fiscal year drawdown folder.

### FOR INVOICES GREATER THAN \$25,000

1. Invoice submitted to the Community Development Director.
2. For housing rehabilitation projects, the Community Development Department shall receive the completed project file from the Champaign County Regional Planning Commission and review for completeness, including change order documentation and final inspection report.
3. Community Development Director reviews invoice for accuracy, documentation and for project completion.
4. Payment of the invoice is approved by the Rantoul Village Board.
5. Community Development Director forwards the original invoice and project code, line item to be charged, purchase order number (if applicable), and amount to be paid, to the Inspection Department Administrative Assistance for entry into the Naviline Accounting System.

6. Within the Naviline Accounting System, the invoice must be approved for payment by the Community Development Director, Comptroller, and Village Administrator.
7. Every other week, the Comptroller's Office provides the Community Development Department a listing of all checks to be created. Community Development Director provides written approval of the checks on a form provided by the Comptroller's Office, to the Village Administrator's Office.
8. Community Development Director identifies the checks listed on the Comptroller's list by HUD's Integrated Disbursement and Information System (IDIS) project code number.
9. Listing of checks, with IDIS codes, is provided to the Inspection Department's Administrative Assistant to request a drawdown of funds in IDIS.
10. Listing of checks, with IDIS drawdown receipt numbers, is given to the Community Development Director for final drawdown approval.
11. Community Development Director approves the drawdown in IDIS, signs his approval on the check listing, and files the check listing in the appropriate fiscal year drawdown folder.

## REPORTING ACCOMPLISHMENTS

At least 70% of the CDBG funds spent must benefit low-moderate income persons and families.

The Village of Rantoul and any agency receiving CDBG funds through a subrecipient agreement are required to maintain a system that accurately accounts for and/or fully documents all program activities undertaken with CDBG funds.

Agencies receiving CDBG funds shall submit the reports to the Village of Rantoul at the times indicated, and in the format prescribed by the Community Development Department. Deviations from this requirement must be approved by the Community Development Director.

At a minimum, all reporting should be completed quarterly. Data and information from the periodic reporting shall be entered into IDIS by the Community Development Department.

Agencies that provide direct individual client services shall keep records on each client served by the project under the agreement. The actual design of the project data system is at the discretion of the Agency. However, the project data system shall include the following at the minimum and be reported to the Village of Rantoul as described in the agreement.

### 1. Primary Records

Records shall be maintained by the project to record services provided directly to, or on behalf of, the project client. Primary records are typically the client case files. All client case files maintained by the project shall be clearly identified as "CDBG Files" and must not be reported to any other funding source with regard to the services listed in the Village Agreement. All projects providing direct services shall have primary records containing the following information on all clients receiving services:

- A. Client's name and identification number assigned by the project
- B. Referring agency when applicable
- C. Client's family size
- D. Client's head of household status
- E. Client's gender
- F. Client's race and ethnic origin
- G. Client's parent's name when applicable
- H. Client's address
- I. Client's phone number and message number if available
- J. Client's age or date of birth
- K. Client's annual or monthly income, or that of the family if client is a dependent
- L. Problem statement
- M. Proposed description of services to be provided
- N. Proposed frequency and length of services to be rendered
- O. Description of actual services rendered
- P. Date, type and method of all client contacts and contacts made on behalf of the client

- Q. Approximately length of each contact
  - R. Reassessment of client's problem (halfway through services) to determine how well client is responding to services
  - S. Termination date
  - T. Reason for termination
  - U. Planned follow-up date(s)
  - V. Actual follow-up date(s) and outcomes of follow-up contact (Follow-up shall be attempted on all clients after termination of client services, unless otherwise stipulated in the Scope of Services.)
2. Secondary Records
- Examples are project logs, sign-in/attendance sheets, appointment book, etc. Agencies who do not provide direct services to individual clients shall maintain secondary records to document the services provided to the targeted population. Agencies providing services in group settings shall also maintain secondary records. In addition, written records documenting project volunteer activities shall be maintained as secondary records.

#### DOCUMENTING INCOME

HUD requires documentation to verify income of households served. Different activities and status of income require different documentation standards.

The "Section 8," also known as the "Part 5" income verification method will be used to determine income for the housing rehabilitation programs.

Public service programs are allowed to have their clients self-certify their income or use the "Section 8" method of verifying income.

#### DEMOLITION AND AREA BENEFITS

Area benefits can only be reported through the use of a NRSA. Demolition projects are reported on a "spot basis" and not an area basis.

## **MONITORING**

As a recipient of federal CDBG funds, the Village of Rantoul is responsible for managing the day-to-day operations of all CDBG funded activities and ensuring that CDBG funds are used within all applicable requirements. Monitoring is the primary tool to ensure that this happens.

The three primary goals of monitoring are:

1. Ensure production and accountability.
2. Ensure compliance with CDBG and other federal requirements.
3. Evaluate organizational and project performance.

At the end of every grant year, an outside agency completes an audit of the Village's financial system. As part of the auditing process, a "single audit" is completed per 2 CFR 200 (formerly OMB Circular A-133), for the federal funds that the Village received during the previous fiscal year.

Any outside agency that receives funds through a subrecipient agreement will also be subject to periodic monitoring. Each social service agency must submit periodic progress reports along with their reimbursement request for a desk-top review before any reimbursement will occur. Community Development Department staff also conducts an on-site monitoring visit to all social service agencies receiving CDBG funding. This monitoring occurs after the agency submits their first progress report and before any reimbursement of funds is made. Monitoring forms from the HUD Community Planning and Development Monitoring Handbook – 6509.2 Rev-6 are used. The forms, and any updates can be found here:

<https://www.hudexchange.info/resource/290/hud-community-planning-and-development-monitoring-handbook-65092-rev6/>

## **SUSPENSION/PROBATION AND TERMINATION**

The Village of Rantoul may place a subrecipient/village partner on probation, suspend, or terminate the agreement as accorded by 24 CFR 85.43 and 24 CFR 85.44. When minor compliance issues exist, an informal approach via telephone calls and e-mail may occur first and funds may be held until compliance is met. If compliance of the minor issue is not met within ten business days or if another compliance issue exists, a certified letter requiring a Corrective Action Plan will be sent to the Executive Director and/or other contact person shown in the contract. In the case of suspension or probation, depending upon the severity of the compliance problem, village staff shall provide not less than two and not more than ten business days to submit a Corrective Action Plan. If the agency does not implement the Corrective Action Plan according to the approved schedule, that will be grounds for termination.

If a subrecipient/village partner fails to fulfill its obligations, the Village Administrator may terminate the contract, in whole or part, by providing written notice of the termination and specifying the effective date, at least five days before the effective date of such termination. If funds were used in a non-eligible manner, the staff liaison will include written documentation of the determination and the sum due for repayment or deduction from undisbursed funds as appropriate.

The subrecipient/village partner and the Village Administrator may terminate the contract for any reason upon giving at least thirty days written notice prior to the effective date. In the case of partial termination, the portion to be terminated must be specified in the notice. If the staff liaison determines that the partial termination will prevent the program from accomplishing the purpose of the contract, the Village Administrator may completely terminate the contract.

## **ADMINISTRATIVE COST ALLOCATIONS**

In order to receive federal grant funding, the Village of Rantoul must adhere to various local, state, and federal financial principles. The following OMB circulars have been incorporated into the newly adopted 2 CFR 200 and have new regulation numbers.

- A-87: Cost Principles for State, Local, and Indian Tribal Governments
- A-102: Grants and Cooperative Agreements with State and Local Governments
- A-110: Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations
- A-122: Cost Principles for Non-Profit Organizations
- A-133: Audits of States, Local Governments and Non-Profit Organizations

The following regulations must also be followed:

- 24 CFR Part 85: Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments
- 24 CFR Part 84: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

The Community Development Block Grant (CDBG) Program incurs administrative costs and must have a plan to pay for those costs.

The full cost of the following expenses is paid by the CDBG Program:

- Office Supplies
- Postage
- Long Distance Telephone
- Cell Phone
- Advertising
- Legal Fees
- Inspection Department Administrative Services.

The CDBG Program annually pays \$8,000 towards the cost of:

- Single Audit
- Comprehensive Annual Financial Report.

The full cost of the following expenses and services are paid by the Village of Rantoul:

- Village Administration (Mayor, Village Administrator, Administrative Assistants)
- Information Technology
- Comptroller's Office (payroll, accounts payable, finance)
- Building Rent, Maintenance, and Utilities
- Any costs not previously identified
- Any cost that cannot be fully paid by the CDBG program.

The costs associated with the housing rehabilitation program will be paid from the housing rehabilitation program and not CDBG administration.

## **OTHER POLICIES AND INFORMATION**

### DAVIS-BACON SEMI-ANNUAL REPORT

The U.S. Department of Labor regulations 29 CFR 5.7(b) require Federal agencies administering programs subject to Davis-Bacon and Related Acts (DBRA) and Contract Work Hours and Safety Standards Act (CWHSSA) labor standards to furnish a Semi-Annual Labor Standards Enforcement Report to the Administrator of the Wage and Hour Division. As a HUD entitlement community that completes construction projects over \$2,000 in cost, the Village of Rantoul is required so semi-annually submit this report on HUD Form 4710, to HUD's Labor Relations Specialist.

The current specialist is Roxanne Volkmann, who may be contacted at 312-913-8438 or via e-mail at [Roxanne A. Volkmann@hud.gov](mailto:Roxanne.A.Volkmann@hud.gov).

### SECTION 3 ANNUAL REPORT

Pursuant to 24 CFR Part 135.90, direct recipients of HUD financial assistance should submit reports to HUD for the purpose of determining the effectiveness of Section 3. Direct recipients include public housing authorities, entitlement communities, states, and certain NOFA grantees that utilize HUD funding for construction and rehabilitation activities.

Within 3 months of the end of a fiscal year, the Village of Rantoul must annually submit HUD Form 60002 through HUD's on-line system Section 3 – Performance Evaluation and Registry System (SPEARS). A copy of this report must also be included and submitted to HUD CPD with the CAPER.

SPEARS can be access on the following webpage:

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/section3/section3/spears](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3/spears)

### RETENTION OF RECORDS

As a general rule, records are to be retained for at least 5 years after the last expenditure report is submitted (i.e., 5 years after the submission of the CAPER in which activity is reported as complete.

This applies to administrative records, financial records and project records. Records must also be accurate, complete and orderly.

An application for record disposal must be made to the State of Illinois through the Rantoul Village Clerk's Office.

Each activity should have a project or case file that includes:

- A full description of the activity; including the location; and amount of CDBG funds budgeted, obligated and expended.

- The provision under which the activity is eligible.
- Records demonstrating compliance with a national objective.
- Characteristics and numbers of beneficiaries.
- Determinations required for eligibility.
- The amount budgeted for the activities.
- Compliance with other program requirements, i.e., lead-based paint, fair housing, equal opportunity, etc.
- Status of case/project.

### SECTION 133 AUDIT REQUIREMENTS

The federal government requires entitlement communities to determine if subgrantees are compliant with 2 CFR 200 Subpart F (formerly A-133 Audit requirements).

In order to assess compliance, the following review procedure should be performed before a contract can be executed.

- The Village of Rantoul requires a copy of a subrecipient's most recent audit. This document will be reviewed to see if more than \$750,000 in federal funds was expended.
- If the agency did expend more than \$750,000 in federal funds, then the audit will be reviewed to see if it complies with 2 CFR 200 Subpart F (formerly A-133 audit requirements).

### PROGRAM INCOME

The Village of Rantoul has and can use its CDBG entitlement to fund programs that generate income. Typically, program income is generated from issuing loans, but sale of real property and rental income are also considered program income.

When income is generated from activities that are only partially funded with CDBG funds, the income must be pro-rated to reflect the percentage of CDBG funds used.

Any activity that will generate program income must stipulate in a written agreement how the program income will be returned to the Village of Rantoul or designated representative.

Any income received will be placed back into the village's "277" CDBG account. The Village of Rantoul's Comptroller's Office will decide which revenue line item the funds will be accounted for. The Rantoul Community Development Department will enter and account for the program income in IDIS.

Program income on hand must be used for any authorized activity before drawing down additional grant funds.

### FEDERAL CASH TRANSACTION REPORT

The Community Development Department is required to submit HUD Form SF-425, Federal Cash Transaction Report on a quarterly basis.

The reports need to be submitted on the following cycle:

<u>Reporting Period</u>	<u>Report Due Date</u>
Nov 1 through Feb 28	March 15
March 1 through July 31	August 15
August 1 through October 31	November 15

Any questions concerning this form, along with the forms submission should be to the Financial Analyst in the Chicago HUD-CPD office. The current Financial Analyst is Candice Foster, who may be contacted at 312-913-8742 or via e-mail at [Candice.A.Cain@hud.gov](mailto:Candice.A.Cain@hud.gov).

The Community Development Director is responsible for completing the form. The form needs to be reviewed and signed-off by the Comptroller.

Completing the SF-425 Form:

1. Print IDIS Report PR07 for the 3-month period to be reported on.
2. Obtain a General Ledger Activity Listing from the Comptroller's Office (see Angie Schultz) for the 3-month period to be reported on. Make sure that there are beginning and ending balances. On this report, note that "Debits" means deposits of funds going into the account and "Credits" means funds being withdrawn from the account.
3. Get the previously submitted SF425.
4. Compare and match-up the drawdowns listed on the PR07 report to the "debits" on the General Ledger Activity Listing. These numbers should match.
5. Add the Cash on Hand from the previously submitted quarterly report to the PR07 drawdowns and enter onto Line "a."
6. Enter the sum of the "credits" from the General Ledger Activity Listing onto Line "b."
7. The amount shown on Line "c" should equal the ending balance on the General Ledger Activity Listing.

### CONFLICT OF INTEREST

Village employees and Village Officials are bound by various federal, state and local ethics and conflict of interest regulations.

Subgrantees are bound by federal law, 24 CFR 84.42 and 570.611 upon accepting a CDBG award and the provisions are reiterated in the subrecipient agreement the agency has with the Village of Rantoul that states:

### Conflict of Interest

The Subrecipient agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include, but are not limited to the following:

- a. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

### ACCOUNTING CODES

The Village of Rantoul has a dedicated account, #277 for all CDBG funds arriving from HUD.

Within this account, there are several “line item groupings,” each representing a specific program.

- 277-0370: Administration
- 277-0374: Housing Rehabilitation
- 277-0375: Infrastructure
- 277-0376: Public Services
- 277-0377: Demolition

### USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS/VENDORS

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

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

### DISPLACEMENT/RELOCATION

Due to the potential liability for long-term assistance and burdens placed on affected tenants, the Village of Rantoul will avoid funding CDBG projects that involve permanent residential displacement or business relocation unless displacement/relocation prove to be the only means available to correct a public health/safety hazard or other critical condition. In such cases, the Village of Rantoul will follow the Real Estate Acquisition and Relocation Policy and Guidance set forth in HUD Handbook 1378 and the Village of Rantoul's Relocation and Displacement Plan.

Any questions regarding displacement and relocation can be address at HUD by Maureen Thurman, who may be contacted at 312-913-8718 or via e-mail at [maureen.thurman@hud.gov](mailto:maureen.thurman@hud.gov).

### DISPUTES

Any dispute concerning a question of fact arising under a subrecipient program or Village Program shall be resolved by the Village of Rantoul's Community Development Director, who shall relay his/her decision in writing to the subrecipient or Village Program, in addition to furnishing a copy to the Rantoul Village Administrator. The decision of the Community Development Director shall be final and conclusive unless the subrecipient or Village Program furnishes a written appeal to the Rantoul Village Administrator within ten (10) days of the date of receipt of such copy. The decision of the Rantoul Village Administrator in such appeals shall be final and binding.

### BI-WEEKLY PAYROLLS

The Village of Rantoul is required to document time spent on the administration of the CDBG program and of CDBG funded projects. The purpose of this policy is to set procedures for submitting bi-weekly payroll forms and ensure accurate reporting of time worked.

1. Timesheets are provided by the Inspection Department Administrative Assistant. The timesheet is in an excel spreadsheet and can be saved to the employee's computer.
2. On the Monday following the final day of the pay period, a timesheet is to be completed by the employee with start/end times as well as all sick, vacation, and other leave hours.
3. The employee approves the completed timesheet by signing it at the bottom.
4. The employee forwards the signed timesheet and Leave Request Forms to his/her supervisor for signed approval.
5. The supervisor signed timesheet, along with approved Leave Request Forms are then given to the Inspection Department Administrative Assistant before 9:30 a.m. for entry into the SunGard accounting system.
6. Inspection Department Administrative Assistant prints an Hours Proof Report which needs the approval signature of the Department Head.
7. Signed and approved timesheets; leave request forms; and Hours Proof Report are due to the Comptroller's office by 12:00 p.m. (noon) on the Monday following the final day of the pay period.