

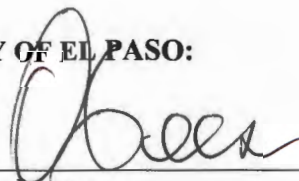
**RESOLUTION**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the Policies and Procedures for implementing the Community Development Block Grant (CDBG) Program, Emergency Solutions Grant (ESG) Program, Housing Opportunities for Persons with AIDS (HOPWA) Program, and HOME Investment Partnerships Program (HOME) are approved and adopted, and that the Director of Community and Human Development be authorized to make amendments to the policies and grant exceptions to the policies and procedures provided such exceptions do not violate any federal regulations.


**APPROVED** this 12 day of DECEMBER 2023.

**CITY OF EL PASO:**




Oscar Leeser  
Mayor

**ATTEST:**


  
\_\_\_\_\_  
Laura D. Prine  
City Clerk.



**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Joyce Garcia  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Nicole Ferrini, Climate & Sustainability Officer  
Community and Human Development Dept.



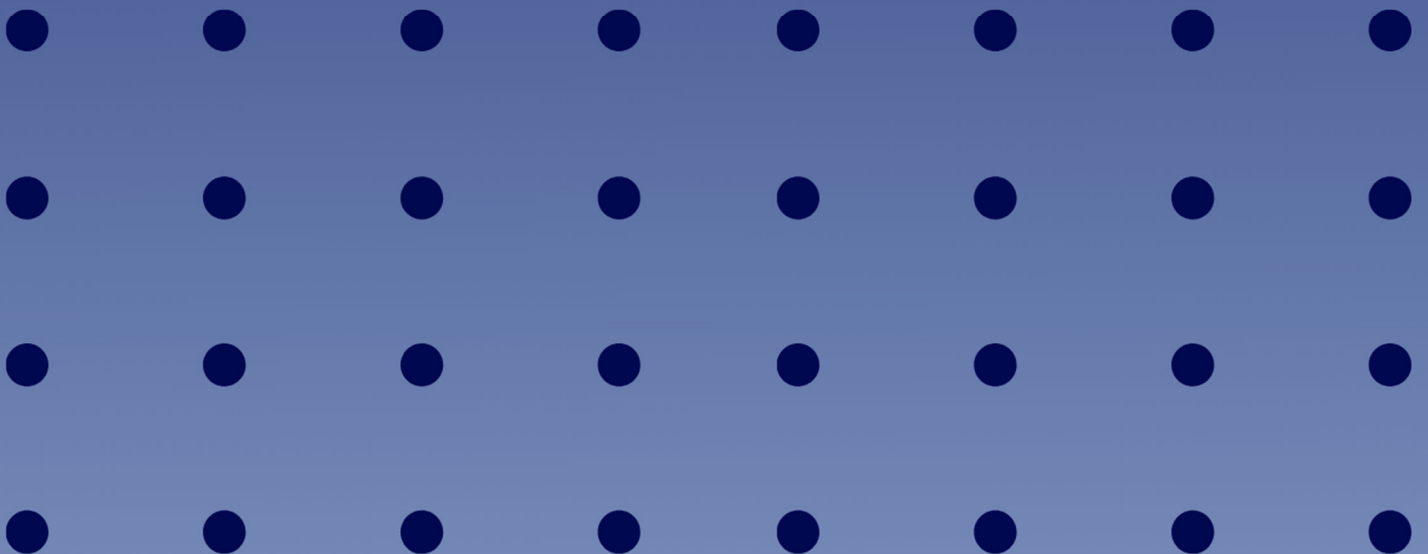
City of El Paso

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# **POLICIES + PROCEDURES for HUD ENTITLEMENT GRANTS**

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Approved



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# Assurances and Attachments

## Assurances

Assurance A – Acceptance of Grant Conditions and Terms of CDBG, HOPWA and ESG

Assurance B – Assurance of Applicant Eligibility for Non-Profit Organizations

Assurance C – Assurance of Compliance with Ordinance No. 9779

Assurance D – Accessibility / Letter of Assurance with Self-Evaluation

## Attachments

- Attachment A – General Completeness Checklist
- Attachment B – Tentative Schedule for Upcoming Program Year
- Attachment C – HUD Income Limits for Upcoming Program Year
- Attachment D – Citizen Participation Plan
- Attachment E – Community Performance Standards
- Attachment F– ESG Program Certification
- Attachment G– ESG Written Standards Certification
- Attachment H– Faith-Based Organization Guidelines
- Attachment I– HMIS Policies and Procedures
- Attachment J– Instructions to Obtain Certificate of Account Status
- Attachment K– Instructions to Obtain SAM Record Status
- Attachment L– Letter of Intent - CDBG Services, Economic Development, HOPWA + ESG
- Attachment M– Project Concept Form – CDBG Public Facilities
- Attachment N– Public Facilities Application
- Attachment O– Volunteer Housing Rehabilitation

## EXECUTIVE SUMMARY

These policies and procedures pertain to federal funding streams received by the City of El Paso from the Federal Department of Housing and Urban Development (HUD). The Department of Community and Human Development (DCHD) oversees the planning, administration and compliance of these grant funds on behalf of the City of El Paso. The HUD Entitlement funding sources are:

- Community Development Block Grant (CDBG)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for Persons with Aids (HOPWA)
- HOME Investment Partnerships Program (HOME)

Funding for the programs covered by these policies and procedures becomes available on September 1 of the City's Fiscal Year, and programming under these funds is expected to run through August 31 of the same Fiscal Year. Final entitlement allocations are dependent on Congressional approval of the HUD budget, **and will be published in the Community Development webpage when made available.**

The City of El Paso has prioritized development of a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities for El Pasoans. Those priorities have been adopted by the City Council in the form of the 30 by 2030 Strategic Plan, which identifies goals, actions and tasks that make achievement of the City Vision possible. Projects, services and programs funded through CDBG, ESG, HOPWA and HOME should be supportive of the following strategic goals and objectives:

*Goal 1: Create an Environment Conducive to Strong Sustainable Economic Development*

*Goal 2: Set the Standard for a Safe and Secure City*

*Goal 3: Promote the Visual Image of El Paso*

*Goal 4: Enhance El Paso's Quality of Life through Recreational, Cultural and Educational Environments*

*Goal 7: Enhance and Sustain El Paso's Infrastructure Network*

*Goal 8: Nurture and Promote a Healthy, Sustainable Community*

*Strategic Objective 22: Support affordable, high-quality housing options especially for vulnerable populations*

*Strategic Objective 30: Develop solutions to increase access and services for El Pasoans experiencing or at-risk of homelessness*

In addition to the direct Strategic Goals supported by these funding sources, the Department of Community + Human Development through the careful administration of these funding sources strives to enrich and enhance the performance of the following citywide strategic goals:

*Goal 5: Promote Transparent and Consistent Communication Amongst All Members of the Community*

*Goal 6: Set the Standard for Sound Governance and Fiscal Management*

Applicants pursuing funding through the sources included in this document should first confirm eligibility with federal requirements, but should also illustrate alignment with identified City strategic goals and objectives. Details of the City

Strategic Plan can be found at: [www.elpasotexas.gov/assets/Documents/CoEP/Government/Strategic-Planning/Strategic-Plan-2022-Booklet.pdf](http://www.elpasotexas.gov/assets/Documents/CoEP/Government/Strategic-Planning/Strategic-Plan-2022-Booklet.pdf).

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## ACRONYMS + DEFINITIONS

### Acronyms

- ADA – Americans with Disabilities Act
- CDBG – Community Development Block Grant
- CoC – Continuum of Care
- DCHD – Department of Community and Human Development
- ESG – Emergency Solutions Grant
- FY – Fiscal Year
- HMIS – Homeless Management Information System
- HOPWA – Housing Opportunities for Persons with AIDS
- HUD – U.S. Department of Housing and Urban Development
- LMI – Low to moderate income
- PY – Program Year
- TARP – Technical Advisory Review Panel

### Definitions

- **Entitlement grants** – are annual grants that are provided on a formula basis to eligible cities and counties.
- **Government entity** – any branch, department, agency, or instrumentality of state government, or any official or other person acting under color of state law (e.g., school districts, public housing authority).
- **Recipient** – the City of El Paso DCHD, who receives funds directly from HUD through an executed grant agreement.
- **Subrecipient agency** – an agency that receives funding from the Recipient (DCHD) and provide direct client services.

## DEPARTMENT OF COMMUNITY + HUMAN DEVELOPMENT

The Department of Community + Human Development (DCHD) of the City of El Paso acts as the grantee for funding received from the HUD for CDBG, HOPWA, ESG and the HOME Investment Partnership Grant. The role of DCHD staff is to administer the specific allocation of funding to sub-recipients as well as to execute and oversee compliance with federal regulations and the policies and procedures included in this document. Funding allocations are projections only and can be modified at the discretion of the Director of DCHD provided that such modifications do not represent a significant change in allocation priorities and/or method of distribution. Additionally, the Director of DCHD may grant exceptions to policies and procedures contained within this document provided that those exceptions do not violate federal, state or local regulations.

## FEDERAL, STATE + LOCAL REQUIREMENTS

Organizations who apply for funding must meet all applicable federal, state and local eligibility requirements. Federal requirements are determined by HUD. Local guidelines are developed by DCHD staff and approved by City Council.

### FEDERAL + STATE REQUIREMENTS

- **ADA and Historic Preservation.** Applicant must comply with all City Codes, including City, State and Federal Americans with Disabilities Act (ADA) and historic preservation requirements.
- **Agency Credit Score.** The Agency Credit Score is a general score given to an agency for performance on past grants.
- **Authority to Apply.** Written minute action and/or Board approval documentation signed by the Board President authorizing submittal and signature of the CDBG application by Board President (or other authorized representative) must be submitted with the application.
- **Authorized Signatory.** Approved documentation (e.g., minute action or letter from the Board) certifying whom from the applicant's organization is the authorized signatory who can sign contracts on behalf of the agency.
- **Employer Identification Number.** Federal tax ID which is needed to pay federal taxes, hire employees, open a bank account, and apply for business licenses and permits.
- **Fair Housing Act.** Applicant must comply with the Fair Housing Act, Executive Order 11063 (Equal Opportunity in Housing), the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and Executive Order 11246 (Equal Employment Opportunity). Agencies operating programs/services in CDBG-funded facilities, as applicable, will be required to develop and implement Affirmative Marketing policies and procedures, and shall assure housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.
- **Faith-Based Organizations.** Faith-based organizations that are applying for funding must comply with HUD's Final Rule that became effective October 30, 2003, as amended. Refer to Attachment I of this document.
- **Indirect Costs.** Applicants are allowed to include Indirect Costs as a line item in their program budgets. Indirect Costs can be included in the program's budget in one of the two following methods:
- **De Minimis Rate.** Using the *10% De Minimis Rate*, if awarded funding, agencies may apply 10% of the total expenses submitted in each monthly reimbursement request. For example, if total expenses in a given month are \$10,000.00, the subrecipient will be allowed to request \$1,000.00 as Indirect Costs in that month's reimbursement request. Agencies who want to apply the *10% De Minimis Rate* will be required to submit with their application a signed memo from their authorized signatory stating the agency will be applying this method of Indirect Cost for the current grant year.
- **Indirect Cost Allocation Plan.** The second allowable Indirect Cost method is an *Indirect Cost Allocation Plan*. Under this method, agencies must submit with their application a current Indirect Cost Agreement from the



cognizant agency. This document will state the Indirect Cost rate/percentage the agency is allowed to apply towards each month's reimbursement request.

- **Jurisdiction.** All programs, clients and/or improvements must be located within the city limits of El Paso, Texas for programs funded by CDBG, HOME and ESG. For HOPWA, all subsidized housing must be located within the County of El Paso, including the City of El Paso.
- **Lobbying.** Under section 1352, title 31, U.S. Code, no Federal appropriated funds may be paid or have been paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with Federal contract, grant, loan, or cooperative agreement, the applicant must complete and submit Standard Form-ILL, "Disclosure Form to Report Lobbying".
- **Persons Served.** Applicants are required to provide the number of persons served for each program or project that is awarded funding. For projects that exceed a year, this requirement applies to each program year.
- **Procurement Guidelines.** Applicants must follow federal procurement rules, along with all applicable state and local requirements, when purchasing services, supplies, materials, or equipment with DCHD-awarded funding. Below is a summary of the most current federal procurement methods. Applicable federal regulations are contained in 2 CFR Part §200.320 Uniform Administrative Requirements.
  - **Sealed bids (formal advertising).** This procedure should be used for all construction contracts or for goods costing more than \$100,000. Competitive sealed bidding requires publicly solicited sealed bids and a firm-fixed-price lump sum or unit price contract is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is lowest in price. The following requirements apply when this method of procurement is used:
    - **Publication Period:** The invitation for bids must be publicly advertised and bids solicited from an adequate number of suppliers. The publication should be published at least once in a newspaper of general circulation, providing sufficient time prior to bid opening. If the publication period is not of sufficient time to attract adequate competition, the bid may have to be re-advertised.
    - **Clear Definition:** The invitation for bids, including specifications and pertinent attachments, must clearly define the items or services needed in order for bidders to properly respond to the invitation.
    - **Public Opening:** All bids must be opened publicly at the time and place stated in the invitation for bids. The public is allowed at that time to review the bids.
    - **Selection and Contracting:** A firm-fixed-price contract award must be made by written notice to the responsible bidder whose bid, conforming to the invitation for bids, is lowest. Where specified in the bidding documents, factors such as discounts, transportation costs and life cycle costs must be considered in determining which bid is lowest.
    - **Rejection of all Bids:** All bids may be rejected when sound documented reasons exist. Such documentation shall be made a part of the files.
  - Adequate number of qualified sources.
  - **Competitive proposals.** This procedure is used to purchase professional services where the total cost will exceed \$100,000. Under this procurement method, the applicant must publish a written request for submissions and then review these submissions based on established selection criteria; and the applicant must solicit proposals from an adequate number of qualified sources. There are two possible methods of soliciting proposals – a request for

proposals (RFP) or a request for qualifications (RFQ). The following requirements apply when this method of procurement is used:

- **Publication Period:** Proposals must be solicited from an adequate number of qualified sources and an advertisement must be published. RFPs/RFQs should be published in a sufficient timeframe before the proposals/qualifications are due.
- **Clear Definition:** The RFP/RFQ must identify the general scope of work and all significant factors of evaluation, including price where appropriate, and their relative importance.
- **Technical Evaluation:** The grantee must provide a mechanism for technical evaluation of the proposals received, determinations of responsible offeror and the selection for contract award.
- **Award:** Award may be made to the responsible offeror whose proposal will be most advantageous to the procuring party, price and other factors considered. Unsuccessful offerors should be notified promptly. The contract can be either a fixed price or a cost reimbursement type.
- **Race and Ethnicity.** Applicants whose programs or projects qualify under the LMI national objective through the *limited clientele* category are required to provide race and ethnicity data for each person who is receiving direct assistance from DCHD-awarded funding.
- **Unique Entity ID.** Applicant is required to submit their Unique Entity ID and System of Award Management (SAM) record status in order for DCHD staff to verify through the SAM website that the agency is clear of debarment from receiving federal funds prior to review application. If considered for funding, DCHD staff will recertify compliance with this requirement prior to execution of any contract. The Unique Entity ID is a 12-character alphanumeric ID assigned to an entity by SAM.gov. New entities can get their Unique Entity ID at SAM.gov and, if required, complete an entity registration.
- **Units of Service.** Applicants are required to provide the number of units of service that will be provided under every program awarded for funding. A unit of service must be defined as the direct service that will be provided to a client or on behalf of a client. Units of service are not required for all funding categories.
- **Verification of non-profit status.** Non-profit agencies must submit the Internal Revenue Service (IRS) letter certifying their 501(c) (3) status and the completed and signed Assurance of Applicant Eligibility for Non-Profit Organizations on page. Refer to Assurance B of this document.

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## PERFORMANCE OUTCOMES

HUD requires reporting of activity outcomes using its Outcome Performance Measurement System to report accomplishments on a national level. Outcomes are the resulting benefit(s) of the projects and should be measurable. Therefore, applicants are required to submit a statement explaining the expected outcome(s) of their projects.

DCHD has implemented a performance measurement system that aligns with HUD's performance outcomes to gauge the success of awarded projects. Applicants are required to address in their applications the outcome(s)/benefit(s) that will result from the project after completion. Outcomes describe the impact that will result from the project, and are the benefits to individuals, families, organizations and communities derived from construction of the project or participation in a program or service.

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## LOCAL REQUIREMENTS

- **Acceptance of Grant Conditions and Terms.** Applicant must submit with their application an Acceptance of Grant Conditions and Terms form signed by an authorized representative of the applicant. Refer to Assurance A of this document.

- **Administrative Capacity.** Applicant must have demonstrated administrative and financial capacity to fully operate the project. A certified audit, covering a period ending on a date after January 31, 2021 must be submitted. This requirement may be waived for organizations or entities who expend less than \$750,000 in federal funds for the audited year. Awarded allocation of funds are distributed on a reimbursement basis. All agencies except City Departments that are receiving funds must demonstrate the financial capacity to pay any project-related costs, including design, construction and/or operating, for a period of at least three months prior to reimbursement.
- **Certificate of Account Status.** Applicant must provide a Certificate of Account Status from the Texas Secretary of the State to indicate the status of the organization's right to transact business in Texas. Refer to Attachment K for instructions on how to obtain the Certificate of Account status from the Texas Secretary of the State website.
- **Completeness Check.** Applications and supporting documentation must be turned in by the respective deadline in order to be considered for funding. All required supporting documentation must be attached to the application in order for it to be considered complete.
- **Compliance with Existing Contracts.** Applicants who are currently receiving federal funds administered by DCHD and applying for additional funds must be in compliance with all terms of their contract, must not have any outstanding audit findings or monitoring findings as determined by the City or HUD, and must remain in good standing throughout the entire program year.
- **Conflict of Interest.** Applicant must not have an employee, officer, agent, or anyone who represents the agency in any capacity sitting as a member of the Community Development Steering Committee. Applicant must divulge if any member of their board is a City employee, so a determination may be made if a conflict exists. Conflict of Interest and all other provisions extend to partners and subcontractors as well.
- **Contract Amendments.** Contract amendments will not be allowed within 90 days of the contract expiration date unless an exception is granted under extenuating circumstances by the DCHD Director. Contract amendments should be rare and will only be considered in the event of circumstances beyond the control of the subrecipient, unless the amendment is required by and initiated by the City. Requests for contract amendments shall be submitted to the DCHD Grant Administrator responsible for the program and shall include a detailed narrative explaining the circumstances that led to the need for the amendment and actions taken by the subrecipient to address those circumstances and avoid the need for a contract amendment.
- **Contract Execution Readiness.** Subrecipients are expected to complete and submit to DCHD all required documentation for contract execution prior to the beginning of the program year (September 1<sup>st</sup>). Failure to do so is not considered justification for extending the term of a contract beyond the end of the program year (August 31<sup>st</sup> of the following year), and may result in cancellation of funding award.
- **Conditions for Contract Amendments.** Subrecipient contracts and written agreements may be amended if a subrecipient is not meeting performance in timeliness, outcomes, performance measures, or other contracted deliverables for documented circumstances beyond the subrecipient's control, and not due to any fault or negligence by the subrecipient. Circumstances beyond the subrecipient's control may include: natural disaster, fire, explosion, war, civil unrest, declared national or regional emergency, strike/labor stoppage, epidemic, pandemic, government order or law, action by any government authority, and other similar events beyond the reasonable control of the subrecipient. Mere impracticality, unanticipated difficulty, and general economic conditions not related to the types of events listed above is not enough to excuse performance and justify contract or written agreement amendments. The Director of Community and Human Development, or their designee, is the sole individual responsible for determining if the cause of non-performance is reasonably beyond the subrecipient's control
- **PHIX Participation.** The City of El Paso has contracted with the local Public Health Information Exchange (PHIX) to collect and analyze data on housing and homelessness programs. All subrecipient programs that receive HUD Entitlement funds to address homelessness or housing affordability are required to submit aggregate and/or client specific data to PHIX, as determined by the City.
- **Ordinance 9779.** All facilities receiving funding from the City must be in compliance with Ordinance 9779, Non-Discrimination Against Persons with Disabilities. This means that the facility must be accessible for use by persons

with disabilities in terms of employment and service, or have an approved transition plan, before the funding can be approved. As part of this requirement, applicants must submit the completed and signed Assurance of Compliance with Ordinance No. 9779, Accessibility/Letter of Assurance, and submit the completed Guidelines/Self-Evaluation for Community Development and City of El Paso Sub recipients. Refer to Assurance C and Assurance D of this document.

- For projects with multiple service locations, an Accessibility/Letter of Assurance must be provided for each site.
- **Relocation Assistance.** In accordance with the City’s Anti-Displacement Strategy, projects that involve the displacement of low- and moderate-income tenants should be avoided. If displacement is unavoidable, all tenants who are permanently or temporarily displaced as a result of a DCHD-funded project must be provided financial and advisory benefits as described in the Anti-Displacement Strategy. Tenants occupying a structure become eligible for these benefits at the time an application is submitted to the City. Applicants should consult with the DCHD staff if displacement or relocation is to occur to assure that this requirement is met and that adequate funds are included in the funding request.
- **Suspension of Eligibility to Apply.** An entity whose contract with the City for HUD funding is terminated for cause is ineligible to apply for additional HUD funding through the City of El Paso for a period of 24 months from the date of contract termination.
- **Site Suitability.** Applicant must ensure that properties where services or facilities projects are located are zoned appropriately for such activities and land uses. Projects without the appropriate zoning at the time of application submission will be ineligible for funding.
- **Timeliness.** Public Services, ESG, HOPWA, and other federal funding subrecipients are expected to spend program funds on an ongoing basis, unless otherwise stipulated in the contract agreement. DCHD requires that subrecipients maintain a spend-to-time ratio of more than -10%. The following table identifies the required spend rate for a 12-month Public Services contract:

Month	1	2	3	4	5	6	7	8	9	10	11	12
% of time passed	8.33%	16.67%	25.00%	33.33%	41.67%	50.00%	58.33%	66.67%	75.00%	83.33%	91.67%	100.00%
Required % of funding expended	0.00%	6.67%	15.00%	23.33%	31.67%	40.00%	48.33%	56.67%	65.00%	73.33%	81.67%	100.00%

If a subrecipient’s program falls below the *Required % of funding expended*, DCHD will require a remediation plan from the agency detailing how the program will return to compliance within 2 months of the month in which the agency became non-compliant. DCHD may accept the remediation plan or request modifications to the remediation plans as deemed necessary by DCHD. Inability of an agency to return to compliance under a DCHD-accepted remediation plan may result in reduction of funding or termination of contract for cause.

Subrecipients who fail to expend at least 90% of CDBG funds and 100% of ESG funds prior to contract expiration may be ineligible to receive funding under that specific funding source in the following year. This means that if an agency is awarded funding in the year following a year in which they fail to meet this spending requirement, a contract may not be executed with that agency; or, if a contract has been executed, that contract may be terminated and no reimbursement(s) will be released for services provided by the agency.

- **Workers’ Compensation.** Subrecipients of City of El Paso HUD funding are required to maintain a minimum of \$1,000,000 in workers’ compensation insurance throughout the contracted period of performance.

## TENTATIVE SCHEDULE

DCHD will release on an annual basis a *Tentative Schedule for Upcoming Program Year*, which will indicate the tentative dates for key events that will take place as part of the upcoming program year’s planning process. This schedule will include dates for items such as the following:

- Community Needs Assessment
- Mandatory training workshops
- Application deadlines
- Public hearings
- City Council meetings

Note that dates stated in the *Tentative Schedule for Upcoming Program Year* are subject to change. Applicants should contact DCHD staff prior to any trainings, application deadlines or other significant dates for confirmation.

## PROGRAM REVIEW + SCORING PROCESS

NOTE: Meetings, trainings, workshops, public hearings, and other activities regularly conducted in person, may be conducted virtually at the discretion of DCHD.

### MANDATORY TRAINING WORKSHOPS

A component of the DCHD planning process is a series of mandatory training workshops for all potential subrecipients of HUD funds. ***The applicant designee (i.e., personnel writing, preparing and/or overseeing application submittal) of the sub-recipient department or agency must attend the workshop to be considered for funding.***

### TECHNICAL ADVISORY REVIEW PANEL

Technical Advisory Review Panels (TARPs) will be established to evaluate proposals for funding. TARP members may include DCHD staff, other City Department staff, and other subject matter experts as selected by DCHD. TARP will be selected with a primary focus on professional expertise and neutrality (i.e. individuals having no relationship to any of the applicant agencies in the service category being reviewed). All reviewers will be required to sign a Conflict of Interest Disclosure Affidavit. Upon review of the affidavit, DCHD staff will determine if a conflict of interest exists.

### AGENCY CREDIT SCORE

The *Agency Credit Score* consists of a 500-point scale. DCHD staff will consider the following when determining the *Agency Credit Score*:

- Timeliness, completeness and accuracy of programmatic and fiscal reporting to include reimbursement requests;
- Responsiveness of the agency to requests from DCHD;
- Agency ability to fulfill prior projects under the original, approved budget without excessive budget amendments or revisions;
- Compliance concerns and findings, and overall agency risk as assessed by DCHD;
- Agency history in meeting outcomes, units of service, persons and households served, and successful deployment of matching funds if applicable; Agency history of timely expenditure of funds;

- Agency history of timely execution of contracts and implementation thereof without need for excessive contract amendments.

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## CDBG PUBLIC SERVICES, HOPWA + ESG APPLICATION PROCESS

The full application packets, including all required modules, will be provided at the mandatory training workshops only to those agencies who attend. Virtual attendance may be authorized at the discretion of DCHD. **The City of El Paso has a fiscal responsibility to ensure that subrecipients selected for funding abide by all rules and regulations established by the Federal government, and that they are in compliance for the entirety of their funding cycles, as this will have a direct effect on the total Federal funds received by the City.**

Funding recommendations are established as follows:

**Step 1:** DCHD receives application submissions. Upon receipt of applications, DCHD staff will determine the eligibility of each application.

**Step 2:** TARPs will be established to review and evaluate applications. The TARP will review and score the applications and an average *Preliminary Application Score* is established per program application.

This review will include, but is not limited to:

- Past agency performance
- Proper completion of the application
- Community impact and community need
- Reasonable cost for personnel and program related expenses.
- Program eligibility according to applicable federal, state and local regulations
- Reasonable cost for personnel and program related expenses.

For categories in which only one application is received, a DCHD staff member, will review the sole application for completeness, eligibility and quality of outcomes.

**Step 3:** DCHD determines the *Agency Credit Score* based on past funding years (six (6) years for the compliance monitoring section and three (3) funding years for all other sections of the credit score evaluation). *Agency Credit Scores* are a comprehensive assessment of past funding years that incorporate all programs funded under the same agency. While each program is evaluated separately, the *Agency Credit Score* is averaged to provide a total score for the agency. If the applying agency has not been funded in the past 6 years, this score is not utilized.

**Step 4:** Both the *Preliminary Score* and the *Agency Credit Score* are utilized to determine a *Final Preliminary Score*.

The use of the *Agency Credit Score* will be utilized to determine a *Final Preliminary Application Score*. The *Agency Credit Score* may result in the deduction of points using the scale below.

<u>Evaluation Scale</u>	
500: Maximum Total Score.	
This tool will not be used for new agencies.	
Credit Score	Score Card Deduction (-) points
450-500	0
400-449	10
350-399	15
300-349	20
250-299	25
200-249	30
150-199	40
0-49	50

The TARP members' scores will be averaged, and the applicants will be notified in memo form of their *Final Preliminary Score*. All applicants with a score of 75% or higher will have the opportunity to present an oral presentation to the TARP. If an agency would like to appeal their score at this point in the process, they must do so within seven (7) calendar days of receiving their *Final Preliminary Score*. The written appeal must detail the decision, or determination that is being disputed. After seven (7) days, decisions and determinations can no longer be appealed.

**Step 5:** Any agency with a *Final Preliminary Score* of 75% or above qualifies to proceed to the oral presentation phase of the process. Oral presentations will be 10-minute presentations followed by a question-and-answer session.

**Step 6:** After oral presentations, TARPs establish a *Final Score* and the applicants are ranked based on these scores.

Following the oral presentations, *Final Scores* will be developed as follows:

- The TARP will discuss each proposal. TARP members will have the opportunity to revise their *Preliminary Scores* for each proposal based on the TARP discussion.
- Should any TARP member revise their scoring, the scores of all TARP members will be averaged to create the applicant's final score, which will be used as a platform for the DCHD funding recommendation.

**Step 7:** DCHD staff and leadership deliberates final ranks and establishes a funding recommendation to present to City Council. Final funding recommendations incorporate a combination of score rankings, community needs, and statutory regulations (e.g. ESG cannot exceed 60% in Emergency Shelter and Street Outreach).

- Applicants will be notified by email of the final funding recommendation. Full details of the applicant's final score will be made available upon request once all recommendation letters are delivered.
- Program recommendations will be presented to City Council, who has the ultimate authority on project selection.

*Please note that Agency Credit Scores are an average of all previously funded programs under one agency. An agency will be considered a single entity based on the following: Unique Entity ID, Employer Identification Number, organizational leadership, organizational board members, LLC name.*

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## CDBG PUBLIC FACILITIES APPLICATION PROCESS

The full application packets, including all required modules, will be provided at the mandatory training workshops only to those agencies who attend. Virtual attendance may be authorized at the discretion of DCHD.



Funding recommendations are established as follows:

**Step 1:** Applicants submit Attachment N Project Concept Form. If the proposed project is determined to be eligible and feasible, applicant is **required to schedule a site visit** with DCHD staff prior to the application deadline.

**Step 2:** DCHD receives application submissions. Upon receipt of applications, DCHD staff will verify completeness and eligibility of each application.

**Step 3:** TARPs will be established to review and evaluate applications. The TARP will review and score the applications and an average *Preliminary Application Score* is established per project application.

This review will include, but is not limited to:

- Past applicant performance
- Proper completion of the application
- Community impact and community need
- Reasonable construction and design costs
- Reasonable project completion timeline
- Program eligibility according to applicable federal, state and local regulations

**Step 4:** DCHD determines the *Agency Credit Score* based on past funding years (six (6) years for the compliance monitoring section and three (3) funding years for all other sections of the credit score evaluation). *Agency Credit Scores* are a comprehensive assessment of past funding years that incorporate all programs funded under the same agency. While each program is evaluated separately, the *Agency Credit Score* is averaged to provide a total score for the agency. If the applying agency has not been funded in the past 6 years, this score is not utilized.

**Step 5:** Both the *Preliminary Score* and the *Agency Credit Score* are utilized to determine a *Final Preliminary Score*.

The use of the *Agency Credit Score* will be utilized to determine a *Final Preliminary Application Score*. The *Agency Credit Score* may result in the deduction of points using the scale below.

<u>Evaluation Scale</u>	
500: Maximum Total Score.	
This tool will not be used for new agencies.	
Credit Score	Score Card Deduction (-) points
450-500	0
400-449	10
350-399	15
300-349	20
250-299	25
200-249	30
150-199	40
0-49	50

The TARP members' scores will be averaged, and the applicants will be notified in memo form of their *Final Preliminary Score*. If an agency would like to appeal their score at this point in the process, they must do so within seven (7) calendar



days of receiving their *Final Preliminary Score*. The written appeal must detail the decision, or determination that is being disputed. After seven (7) days, decisions and determinations can no longer be appealed.

**Step 6:** All applicants will proceed to the oral presentation phase of the process. Oral presentations will be 10-minute presentations followed by a question-and-answer session.

**Step 7:** After oral presentations, TARPs establish a *Final Score* and the applicants are ranked based on these scores.

*Final Scores* will be developed as follows:

- The TARP will discuss each proposal. TARP members will have the opportunity to revise their *Preliminary Scores* for each proposal based on the TARP discussion.
- The scores of all TARP members will be averaged to create the applicant's final score, which will be used as a platform for the DCHD funding recommendation.

**Step 8:** DCHD staff and leadership deliberates final ranks and establishes a funding recommendation to present to City Council. Final funding recommendations incorporate a combination of score rankings, community needs, and statutory regulations.

- Applicants will be notified by email of the final funding recommendation. Full details of the applicant's final score will be made available upon request once all recommendation letters are delivered.
- Project recommendations will be presented to City Council, who has the ultimate authority on project selection.

*Please note that Agency Credit Scores are an average of all previously funded projects under one agency. An agency will be considered a single entity based on the following: Unique Entity ID, Employer Identification Number, organizational leadership, organizational board members, LLC name.*

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## APPEAL PROCESS

If an applicant wishes to appeal a decision or determination made by DCHD, the Applicant may submit an appeal in writing to DCHD. The steps to submit an appeal are as follows:

1. Applicants must submit an appeal in writing to DCHD within seven (7) calendar days of receiving notice of the decision or determination. The written appeal must detail the decision, or determination that is being disputed. After 7 calendar days, decisions and determinations can no longer be appealed.
  2. DCHD staff will schedule a meeting with the applicant to discuss the appeal within fourteen (14) calendar days of receipt of an appeal.
    - a. If DCHD staff determines that the appeal is valid, responsive action will be considered.
    - b. If DCHD staff concludes that the appeal is invalid, an applicant can dispute this conclusion with the DCHD Director who will review the validity of the appeal request.
  3. The DCHD Director will either approve the appeal and modify a decision or determination accordingly or will deny the appeal and provide the applicant agency with written justification for denial of the appeal.
    - a. The applicant will be notified in writing of the appeal decision by the Community and Human Development Director
- THIS APPEAL PROCESS DOES NOT PROVIDE AN OPPORTUNITY TO REVISE PROPOSALS, NOR DOES IT GUARANTEE THAT DECISIONS OR DETERMINATIONS WILL BE MODIFIED.

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## EXIT CONFERENCE

An exit conference will be provided upon request, to those applicants whose projects are not funded following the final City Council Budget Hearing. The purposes of this conference will be capacity building and a discussion of alternative resources and approaches.

## CITY COUNCIL

City Council retains the ultimate authority regarding funding for projects and programs covered by this document. Recommendations initiated by DCHD Staff are presented in draft form at a public hearing. Upon receiving initial feedback at that public hearing, a 30-day public comment period is initiated during which all community feedback is documented and considered for incorporation into the final Annual Action Plan. The final Annual Action Plan, along with all comments received, is then presented to City Council for approval. The adopted Annual Action Plan must be submitted to HUD 45 days prior to the commencement of the upcoming program year.

## COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

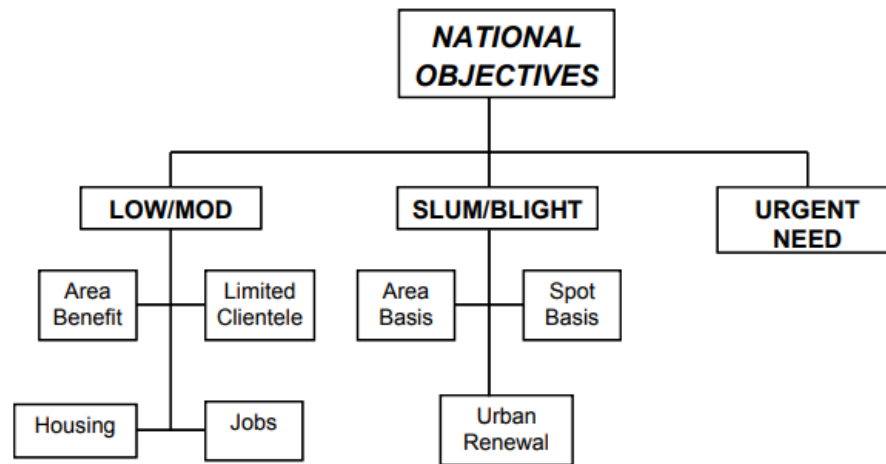
The primary objective of the Community Development Block Grant (CDBG) Program is the development of viable urban communities, including decent housing, suitable living environments, and the expansion of economic opportunities, principally for persons of low and moderate income. The following sections explain the services, programs and projects that are funded through CDBG.

## HUD NATIONAL OBJECTIVES

The authorizing statute of the CDBG program requires that every funded activity, except for program administration and planning activities, meet one of three national objectives. The three national objectives are:

- Benefit to low- and moderate-income (LMI) persons;
- Aid in the prevention or elimination of slums or blight; and
- Meet a need having a particular urgency (referred to as urgent need).

To comply with CDBG requirements, all activities must meet a national objective. The following exhibit depicts the different categories associated with each of the national objectives.



The LMI national objective is often referred to as the “primary” national objective because the statute requires that recipients expend 70 percent of their CDBG funds to benefit LMI persons. Below are the four categories that can be used to meet the LMI national objective:

- Low Mod Area Benefit (LMA). The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood. An area benefit activity is one that benefits all residents in a particular area, where at least 51 percent of the residents are LMI persons.
- Low Mod Limited Clientele (LMC). The limited clientele category is a second way to qualify specific activities under the LMI benefit national objective. Under this category, 51 percent of the beneficiaries of an activity have to be LMI persons. To qualify under this category, the activity must do one of the following:
  - Benefit a clientele that is generally presumed to be principally LMI. This presumption covers abused children, battered spouses, elderly persons, severely disabled adults (see the box below), homeless persons, illiterate adults, persons living with AIDS and migrant farm workers; or
  - Require documentation on family size and income in order to show that at least 51 percent of the clientele are LMI; or
  - Have income eligibility requirements limiting the activity to LMI persons only; or
  - In extremely rare circumstances DCHD may consider that the service provided is of such a nature and in such a location that it can be concluded that clients are primarily LMI. An example is a day care center that is designed to serve residents of a public housing complex.
- Low Mod Housing Activities (LMH). The housing category of LMI benefit national objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households.
- Low Mod Job Creation or Retention Activities (LMJ). The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons.

DCHD utilizes HUD’s Income Limits that are provided on an annual basis to determine if a person or household is of low to moderate income. To determine qualification, refer to Attachment C for the most current HUD income limits summary.

The focus of activities under the elimination of Slums and Blight national objective is a change in the physical environment of a deteriorating area. This contrasts with the LMI benefit national objective where the goal is to ensure that funded activities benefit LMI persons. Three categories are used to qualify activities under this national objective:

- Slum Blight Area Basis (SBA). This category covers activities that aid in the prevention or elimination of slums or blight in a designated area. To qualify under this category, the area in which the activity occurs must be designated as slum or blighted. Documentation must be maintained by the grantee on the boundaries of the area and the conditions that qualified the area at the time of its designation. The designation of an area as slum or blighted must be re-determined every 10 years for continued qualifications.
- Slum Blight Spot Basis (SBS). These activities eliminate specific conditions of blight or physical decay on a spot basis and are not located in a slum or blighted area. Activities under this category are limited to acquisition, clearance, relocation, historic preservation, remediation of environmentally contaminated properties, and building rehabilitation activities. Furthermore, rehabilitation is limited to the extent necessary to eliminate a specific condition detrimental to public health and safety.
- Slum Blight Urban Renewal Area (SBR). These activities located within an Urban Renewal project area or Neighborhood Development Program (NDP) action area are necessary to complete an Urban Renewal Plan. A copy of the Urban Renewal Plan in effect at the time the CDBG activity is carried out, including maps and supporting documentation, must be maintained for record keeping purposes. This national objective category is rarely used as there are only a handful of communities with open Urban Renewal Plans.

Use of the Urgent Need national objective category is rare. It is designed only for activities that alleviate emergency conditions. Urgent Need qualified activities must meet the following criteria: the existing conditions must pose a serious and immediate threat to the health or welfare of the community; the existing conditions are of recent origin or recently became urgent (generally, within the past 18 months); the grantee is unable to finance the activity on its own; and other sources of funding are not available.

Refer to HUD's 24 CFR Part 570.208 for further information on the criteria for national objectives.

## PUBLIC SERVICES

The Public Services category of CDBG is intended to maximize outcomes in our community based on identified needs of vulnerable populations. Public Service programs aim to respond to emerging community needs and/or expand services for an existing need as well as attempt to align and enhance other CDBG and locally funded activities. Periodically, DCHD will conduct a community needs assessment (CNA), which will determine priority needs and gaps to which Public Service funds will be available for applicants. A comprehensive CNA will be conducted every three years, and a small scale assessment will be conducted on an annual basis. Should a crisis arise, the DCHD Director may determine that a comprehensive CNA be conducted. The CNA will be published annually in the DCHD website.

DCHD solicits funding proposals from interested public and non-profit entities for the use of CDBG funds for Public Service programs. Federal regulations stipulate that a maximum of 15% of the annual CDBG funding may be allocated to Public Services.

For the purpose of having a greater impact of services to our community, Human Services will be transitioning to a **2-year funding cycle**. This funding cycle will cover funding for programs for FY 25 (50<sup>th</sup> Year), and will renew funding for FY 26 (51<sup>st</sup> Year), contingent on performance of the program. At the end of FY 25, spend rate and performance outcomes will be re-evaluated to determine continued funding for FY 26. DCHD may decide to discontinue funding for any program not meeting objectives after the first year.

**The minimum funding amount for a Public Services project is \$100,000**, though lower budget projects may be made eligible at the discretion of the Director of DCHD in order to maximize community impact and ensure timely expenditure of HUD funds.

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## INNOVATIVE PROGRAM INCUBATOR

The Innovative Program Incubator category is designed to give funding opportunities for innovative, promising programs. The purpose of this category is to create new initiatives and program structures that can prove to be best practices throughout the public service community. Programs applying for incubator funding will be required to provide projected performance outcomes inclusive of key performance indicators. Metrics should be illustrative of community impact indicated by improvement from baseline conditions. Alignment with priorities identified through the Community Needs Assessment, as well as alignment with the City of El Paso Consolidated Plan, City Strategic Plan and/or City Resilience Strategy is required.

The Innovative Program Incubator is funded as an \$100,000 program set-aside for a single program. However, DCHD may redistribute partial or whole funding of this set-aside to one or more CDBG Public Services categories if the Department does not receive an application for an incubator program that is responsive to the objective of the set-aside. Incubator grant projects do not have to fall within the designated Service Categories, but they must meet DCHD Public Services guidelines. While both new and existing agencies can apply, the program itself must be new and must not have received funding in any previous CDBG funding cycle.

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## PROJECT ELIGIBILITY + PERFORMANCE

### TYPES OF ELIGIBLE SERVICE PROGRAMS:

- Projects must provide direct services to clients who qualify under HUD income guidelines and who reside within the limits of the City of El Paso. Funded agencies will be required to verify each client's residence and eligibility. HUD has determined that the following populations meet income guidelines and are presumed eligible:
- Elderly persons (aged 62 and older)
- Severely disabled adults
- Homeless persons
- Abused children, battered spouses
- Persons living with AIDS
- Migrant farm workers
- Illiterate adults.

### OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **Agency Strategic Planning.** Applicant agencies must submit along with their application, the agency's most recently approved mid to long-term strategic plan and/or sustainability plan as well as their current annual plan.
- **Budget Revisions.** Budget revisions may be requested among existing budget line items. All budget revisions occurring within the contract period may not exceed 20% of the total award without approval of the DCHD Director or their designee. Only budget modifications/revisions that result in a significant change of scope, performance measures, or outcomes require a contract amendment.
- **Duplicate Submittals.** The same project proposal cannot be submitted under more than one public services category.
- **Emergency Shelter Funding.** Agencies may apply specifically for "Emergency Shelter" component funding from both the Emergency Solutions Grant and the Community Development Block Grant. However, funding **may** only be awarded from one of those entitlement grants.

- **Financial Capacity.** CDBG funds are distributed on a reimbursement basis. All agencies receiving funds must demonstrate the financial capacity to fully operate the proposed project for a period of at least three months prior to reimbursement. Applicants will be required to provide verification of three months of capital for sustainability of their public service program.
- **Funding Request.** Minimum funding request by applicant for any project must be \$100,000.
- **Income Verification.** Subrecipient must verify, through use of a DCHD-issued or approved Income Eligibility Form, client income to confirm CDBG eligibility for clients receiving services.
- **Multiple sites.** Applicant must complete an Activity/Partner Supplement if their program provides services in more than one location. The Activity/Partner Supplement must be completed for each site. A budget must be produced for each site if any non-shared resources are being requested, and the budgets for the combined sites or activities must align with the budget for the overall project. If the applicant's program consists wholly of shared resources then only one budget for the overall project must be completed. An example of a non-shared resource are supplies that will be used at each separate site; an example of a shared resource is an instructor who travels to different sites to offer classes.
- **Partnerships.** Applicants must state in their application if they plan to partner with another agency. The identification of the partnership and plan of action for the partnership must be outlined in the CDBG application when it is submitted to DCHD.
  - If any portion of the project will be carried out by a partner, contractor, consultant or other third party, the Activity/Partner Supplement of the application must be completed reflecting the role of the partner. This supplement will be provided as a module within the application.
- **Program Scope + Eligibility.** Applicants may submit more than one proposal that offers different services within a single service category or in more than one service category. However, the proposal cannot provide the same services as another proposal, or provide services to clients during the same time period that they are being served by another City-funded project. Each proposed project must be clearly defined and easily differentiated from the others. Proposals cannot be dependent or subsidiary to another proposal.
- **Staff hours.** The City will only reimburse applicants for staff hours that are spent on direct services funded by CDBG to eligible clients.
- **Subsidiary Projects.** Projects that are dependent or subsidiary to one another should be submitted as a single project.

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## PERFORMANCE GOALS

Applicants must have the capability to track their project outcome(s), performance measures and units of service over time and report on results if the project/activity is eventually funded. Funded projects will have a contractual obligation to meet projected outcomes, performance measures and units of service. Failure to meet these obligations, to include units of service and/or clients served, may result in a temporary or permanent hold on reimbursement. Further technical assistance on this subject will be provided to funded agencies upon request.

## PUBLIC FACILITIES

Public facilities improvements are generally interpreted to include all facilities and improvements that are publicly owned, or that are owned by a non-profit, and open to the general public. CDBG Public Facilities funding must be used to service or benefit LMI persons, including those populations who are generally presumed to be LMI.

DCHD solicits funding proposals from interested City departments, non-municipal government entities and non-profit agencies for the use of CDBG funds for public facilities improvements within the city limits of El Paso. **The minimum funding amount for a Public Facilities project is \$1,000,000**, though lower budget projects may be made eligible at the discretion of the Director of DCHD in order to maximize community impact and ensure timely expenditure of HUD funds.

**All Public Facilities applicants whose Attachment N Project Concept Form is determined eligible and feasible are required to schedule a site visit with DCHD staff prior to the application deadline in order to discuss project scope**

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### 3-YEAR COMMUNITY VULNERABILITY CAPITAL IMPROVEMENT PLAN

As mentioned in the Public Services section of this document, DCHD performs a Community Needs Assessment (CNA) in the fall of each year to determine priority categories of public services.. The CNA includes priority needs for facilities once every three (3) years, starting with the 2022 CNA. **Recommendations for Public Facilities projects represent a 3-year allocation plan** including the projects to be wholly or partially funded under the first year's HUD allocation, as well as the projected funding for projects in the second and third years of the Public Facilities funding cycle. This 3-year funding cycle allows for multi-year, phased funding for design and construction activities of approved projects that significantly aids in the City's ability to meet HUD's timely expenditure requirements.

At or around the time that DCHD presents final funding recommendations to City Council for the 3-year Public Facilities allocation plan, a waiting list of projects may also be presented for Council approval. Projects on the waiting list may be included in an Annual Action Plan and may be funded should any approved project(s) be delayed, cancelled, or completed under budget, thus allowing for additional projects to be funded.

Multi-year projects will be contracted through one (1) subrecipient agreement, unless otherwise approved by DCHD. While funding for any one project may be planned for multiple years, award of any sub-grant amount is contingent on the City receiving the annual allocation of funds from HUD. Subrecipient is obligated to uphold the projected spend schedule submitted after execution of the subrecipient agreement. Subrecipient is obligated to accept, execute and uphold the Notice to Proceed (NTP) included with the subrecipient agreement. All projects and phases of projects are expected to be completed within the contracted time period. **Failure to comply with all agreement stipulations, including but not limited to timely expenditure of funds, may result in reduction of funding, recapture of funding, or termination of contract for cause.**

The next Public Facility planning process is expected to take place in the FY26 Annual Action Plan planning process, and every three (3) years thereafter.

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## PROJECT SUBMISSION, SELECTION + REVIEW PROCESS

The primary step in the public facilities review process is determining CDBG-eligibility, which means that each accepted proposal must meet one of HUD's national objectives. The area benefit category (also referred to as LMA) is the most commonly used national objective for public facility projects. To qualify under this category, at least 51 percent of the residents from a particular area must be low to moderate income (LMI) persons. The limited clientele category (also referred to as LMC) is a second way to qualify public facilities projects under the LMI benefit national objective. Under this category, 51 percent of the beneficiaries of an activity have to be LMI persons. In contrast to the LMA area benefit category, it is not assumed by location that a majority of persons served will be of low to moderate income. Rather, the actual number of LMI persons that benefit from the activity must be documented by the agency operating the facility, meaning that race, ethnicity, household size, name, address, and income of all persons utilizing the facility must be documented and maintained for compliance monitoring. Further information on HUD's national objectives, including presumed benefit populations, elimination of slum and blight, and urgent needs national objective categories can be found under the HUD National Objectives section of this document and are also contained in CFR 570.208.

Public facility projects that meet HUD National Objectives under LMC must operate for 90 days and show compliance with LMC documentation requirements before final progress payment and developer fees (if applicable) are approved by the City and paid out to the subrecipient or contractor.

A TARP will evaluate all eligible and feasible project applications (see the PROGRAM REVIEW + SCORING PROCESS section of this document for additional details). The TARP's averaged score per application will be utilized to produce a ranking of projects that will then be considered by DCHD when establishing funding recommendations. The budget recommendation will then be presented to a Community Needs Advisory Committee for input as detailed and defined in the Citizen Participation Plan appended to this document; presented at a public hearing; opened for a 30-day public comment period; and ultimately presented to City Council for final approval.

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## PROJECT APPLICANTS

DCHD accepts applications for public facilities improvements from three groups – **City departments, non-municipal government entities and non-profit agencies**. City departments may submit up to nine (9) Public Facility project applications. Non-municipal government entities and non-profit organizations may submit up to three (3) Public Facility project applications.

The following sections explain the requirements that are unique to the applicant groups. Each applicant must adhere to these requirements in addition to all general project eligibility and compliance standards. Note that all applications must meet one of HUD's national objectives, and all applicants must attend a mandatory workshop as described in the Mandatory Workshop Training section of this document.



## MUNICIPALLY OWNED PROJECTS

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Municipally owned projects are those that belong to the City of El Paso and whose applicants are City departments. All City departments are eligible to apply for CDBG funding.

- **Availability of Operating Funds for New Construction or Expansion Projects.** For projects involving new or expanded public facilities, if additional staff or additional operation and maintenance (O&M) funds will be required, applicants must submit a written commitment from the appropriate City officials (i.e., Department Director, Department Financial Manager, and Director of OMB) that additional O&M funds for the facility will be available once the project is completed, for the life of the facility.
- **Other Funding Sources.** If other funding sources (i.e. grant monies, General Revenue funding, etc.) will be used for the project, the City department must submit written documentation to verify that the funding is committed and available.
- **Project Scope of Work + Cost Estimates.** City Departments are required to submit with their application a cost estimate that has been reviewed and/or prepared by the Capital Improvement Department (CID). The City Department must ensure that the cost estimate correctly reflects the project's scope of work. It is highly recommended that the City Department and CID staff developing and approving the estimate make a site visit to the proposed location to determine current conditions. DCHD will not recommend additional funds for unforeseen site conditions that reasonably could have been identified during an initial site visit.
- **Required Cash Match.** Applicants are required to provide at the start of the project a minimum of 10% of the cost of the CDBG project in cash from a non-CDBG funding source. Applicants may also choose to provide a greater percentage of the project cost in order to make the project more impactful.
- **Note:** City departments are eligible to request in writing from the DCHD Director a waiver for the required cash match, however, a matching contribution will be a factor when evaluating each project.

## NON-MUNICIPAL GOVERNMENTAL ENTITIES + NON-PROFIT ORGANIZATIONS

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Other branches, departments or agencies of government and local non-profit organizations can apply for CDBG funding for public facility improvements. Examples of such non-municipal government entities include local school districts and the public housing authority.

- **Letter of Credit.** Applicant must be able to secure the CDBG funding by providing a letter of credit from a financial institution. The letter of credit must be at minimum equal to the amount of CDBG funding that is being awarded, and must be secured for a 5-year reversionary period that follows construction completion. As many financial institutions do not provide letters of credit for a 5-year term, a letter of credit that renews annually for a 5-year period meets this requirement. If an applicant is unable to secure the loan through a letter of credit, an alternative option must be provided with the application which will be reviewed by DCHD staff for viability and approval. A current appraisal value of property in the form of a Market Analysis, Certified Audit Report or a Report from the El Paso Central Appraisal District (EPCAD) must be submitted with the application.
- **Leased Property.** If applicant is leasing the property that is being improved, the terms of the lease agreement must be attached to the application, and the property must be leased for at minimum the term of the required reversionary period. The applicant must also provide with their application approved documentation certifying that the lessor has acknowledged and approves of the CDBG-funded facilities improvements.
- **Owned Property.** If applicant owns the property that is being improved, the deed of trust for the property that is being improved must be attached to the application.
- **Project Scope of Work and Cost Estimate.** All public facility projects involving rehabilitation or new construction will be required to be estimated and designed by an architect or engineer licensed in the State of Texas. The project

cost estimate (not the cover letter) must be stamped with the official seal of the architect or engineer licensed in the State of Texas. For example:

NOTE: If a funded agency chooses, for project implementation purposes, to use the same design consultant who prepared the cost estimate as a part of their application, the applicant should ensure that all applicable federal, state and local procurement rules were followed when the design/engineering services were initially acquired.

- **Required Cash Match.** Applicants are expected to provide at the start of the project a minimum of 10% of the total project cost in cash from a non-CDBG funding source. Applicants may also choose to provide a greater percentage of the project cost in order to make the project more impactful.
- **Schedule A.** Applicants will be required to complete Schedule A as a part of their application packet. Schedule A defines the budget line items associated with the soft costs for a construction project. This document must be attached to the public facilities application at the time of submittal.
- **Task Schedule.** Applicants must provide a preliminary schedule of tasks involved in carrying out the proposed project that indicates that the CDBG project can be substantially completed within 365 calendar days of contract execution. Should CDBG funds be awarded to a project, a project schedule will be incorporated in the Loan Agreement. Failure to comply with the schedule may result in the revocation of the funding award. In the event of revocation of funding, the applicant agrees and acknowledges that the applicant will not be entitled to any costs or damages from the City. A list of typical milestones involved in the implementation of a standard public facility project is provided below. Since circumstances vary, the applicant should coordinate with DCHD staff to ensure that the applicant's schedule incorporates tasks suitable to the proposed project.

Task Schedule Example	Completion Date
Task	
City sends CDBG loan and escrow documents to government entity for review	7/31/2022
Government entity completes review of City's CDBG loan documents	9/01/2022
Government entity provides all required documents for closing purposes	9/01/2022
Closing occurs - execution of Forgivable Loan Agreement	9/01/2022
Government entity completes contract w/ architect or engineer	10/01/2022
Government entity completes project design	01/01/2023
Government entity prepares bid documents for advertising and then bidding	02/15/2023
Government entity participates in contractor selection	04/01/2023
Government entity completes final contract negotiations	04/15/2023
Government entity issues NTPs for demolition and renovation, or new construction	05/01/2023
Government entity completes project	09/01/2023
<b>*NOTE: Task schedule requires consultation with City of El Paso's DCHD and/or Capital Improvement Department</b>	

- **Deed of Trust.** If awarded funding, applicant must obtain a deed of trust indicating ownership of the subject property by the applicant agency.

## PROJECT COMPLIANCE + ELIGIBILITY

### Types of Eligible Improvements

CDBG public facility projects must benefit persons of low- and moderate-income, defined as 80% of median income for El Paso, Texas. (Refer to Attachment C for the most current HUD income limits summary). Public facility projects may meet the low- and moderate-income objective by either area benefit or limited clientele benefit, as follows:

- **Area Benefit** - May be established if the public facility improvement will be used for a purpose that benefits all the residents of a particular service area in which at least 51% of the residents have low- or moderate-income. Applicants seeking to qualify a project as area benefit should contact the DCHD to verify that the population of the designated

service area meets the low- and moderate-income requirements. Projects that will be used by a citywide population will not qualify under this criterion.

- **Limited Clientele Benefit** - The three options to establish this benefit are:
  - Family Size and Income Documentation - May be established if the public facility improvement will be used for an activity that benefits a specific group of people, at least 51% of whom are low- and moderate-income persons. Applicants seeking to qualify a project under this criterion must substantiate that at least 51% of the beneficiaries of the project will be low- and moderate-income, either through income eligibility requirements, or by obtaining information on family size and income of all beneficiaries.
  - Presumed Benefit - May be established if the public facility improvement will exclusively benefit a certain group of persons that are presumed by HUD to meet the low- and moderate-income criterion, including abused children, battered spouses, elderly persons, adults meeting the United States Census Bureau's Current Population Report's definition of "severely disabled", homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.
  - Income Eligibility Requirements – May be established if the public facility improvement will be used for an activity that has income eligibility requirements limiting the activity to LMI persons only.
- Eligible Projects – examples of eligible projects include: new construction; rehabilitation improvements; reconstruction and removal of architectural barriers; and design features and improvements which promote energy efficiency and distributed generation technologies.

#### Types of Ineligible Activities

- Projects involving acquisition of real property (land and/or buildings).
- Rehabilitation or new construction of fire stations or the purchase of fire equipment.
- Regular maintenance and repair of public facilities and improvements (e.g., filling potholes, repairing cracks in sidewalks, mowing grass at public recreational areas or replacing street light bulbs).
- Operating costs associated with public facilities or improvements.

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## FINANCIAL TERMS

While government entity and non-profit agency applicants may request the following types of loans, the City of El Paso maintains the discretion to approve, modify, or reject the financing terms proposed by the applicant:

- Direct Loan - a loan to be paid back in cash in accordance with a specified payment schedule.
- Forgivable Loan - a loan that is paid back by fulfilling the terms of the CDBG Forgivable Loan Agreement which generally involves operating the facility, in full compliance with the contract agreement, for its stated purpose for a specified period of time. The term of a forgivable loan will be at least through the 5-year reversionary period that follows construction completion.
- A combination of a Direct Loan and a Forgivable Loan

Additionally, applicant agencies whose projects produce income may be asked to repay a portion of the CDBG funding to the City based upon a financial analysis of the project.

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## OTHER PROJECT COMPLIANCE + SUPPORTING DOCUMENTATION

- **Building Codes.** Applicant must comply with all applicable City Housing, Building and Zoning Codes.
- **Buy America Build America.** For agreements at or above \$250,000.00, applicants must comply with Buy America Build America Act (BABA) as stipulated in Division G, Title IX of the Infrastructure Investment and Jobs Act (IJA) to ensure all iron, steel, and manufactured products used in the project are produced in the United States.
- **Encroachment.** For street improvement projects involving encroachment issues, a written plan describing how the applicant intends to address the encroachment issues with the affected property owners, preferably including proof of correspondence with the said property owners indicating their willingness and cooperation in addressing the street improvements as it pertains to their property or properties.
- **Environmental Considerations.** DCHD Compliance Staff must evaluate the viability of projects based on environmental factors, including whether or not the project is located in a flood zone. The environmental review may determine whether a project is funded, or may indicate that project modifications or alternatives are needed.
  - For projects that are located in a floodplain, applicant will need to identify and evaluate if there is (1) no project alternative, (2) a non-flood plain project alternative, and/or (3) a floodplain proposal.
- **Lead Clearance and Asbestos Survey.** Based on the age of the facility, a lead clearance and/or asbestos survey may be required. If either has already been completed, please submit with the application.
- **LMC Data Tracking Verification.** Prior to recommending a project for funding that will meet the LMI National Objective via LMC, DCHD will review the data collection, storage and tracking systems of the applicant agency to ensure that systems are in place to achieve compliance with LMC reporting requirements.
- **Purchase of Equipment.** The purchase with CDBG funds of equipment, fixtures, motor vehicles, furnishings, or other personal property that is not an integral structural fixture is generally ineligible.
- **Section 3.** Projects that exceed \$200,000 on construction costs shall direct, to the greatest extent feasible, employment and economic opportunities to low and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons. If awarded funding for a Public Facilities project that meets this threshold, the subrecipient will be required to procure a prime construction contractor who will make best efforts to meet HUD's benchmarks for Section 3 projects; and the subrecipient, in collaboration with the prime contractor, will be responsible for completing HUD's 60002 form to document these efforts. Refer to HUD's 24 CFR Part 75 for further information on economic opportunities for low and very low-income persons.
- **Sustainability Considerations.** Applicants will be expected to incorporate sustainable building technologies, standards and/or practices, such as those in the Leadership Energy and Environmental Design (LEED) Building rating system, or similar (Energy Star, Green Globes), if possible. Projects that include replacement or repair of energy consuming systems (i.e. HVAC, lights, and boilers) must follow Energy Star ([www.energystar.gov](http://www.energystar.gov)) standards.
- **Use by Public.** Applicant must agree to open the public facility for use by the general public during all normal hours of operation upon completion of the public facility improvement project, if funding is approved. Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which have the effect of precluding low- and moderate-income persons from using the facilities, are not permitted.
- **Unimproved Land.** Deed of Trust is required. Documents from El Paso Central Appraisal or City GIS will not be accepted.
- **Wage Rates.** The federal government requires the payment of prevailing wages for all construction contracts that have federal funding that exceeds \$2,000, which includes federal, state and local public works projects. Projects will be monitored by the City of El Paso's Capital Improvement Department to ensure that the general contractor and subcontractors adhere to this requirement.

## COMMUNITY SUPPORT + CIVIC PARTICIPATION

### COMMUNITY SUPPORT

It is highly recommended that applicants submit documentation corroborating community support for projects, such as a petition signed by persons who would benefit from the improvement. Demonstration of community outreach such as meetings or a town hall style forum demonstrate an even higher level of engagement because they include the opportunity for citizen feedback.

### COMMUNITY NEEDS ASSESMENT

In alignment with HUD's national objectives, DCHD encourages and supports citizen participation during the planning process. The Citizen Participation Plan, included as an addendum to this document, details the process for a community needs assessment that will establish and guide the prioritization of community needs to be addressed through public facility projects funded under the HUD Entitlement.

## VOLUNTEER HOUSING REHABILITATION

DCHD has set-aside funding to support a Volunteer Housing Rehabilitation program. Approximately \$200,000 will be set aside for this program.

### Objectives

DCHD funds may be used to make basic and necessary repairs, rejuvenate and/or rehabilitate the homes of low-income elderly and/or disabled homeowners located Citywide. Funds may be used for staff hours that are spent on direct services that are funded and eligible under this category, and may be used to pay for required licensed electricians, plumbers or other required skilled or licensed labor. No costs may be charged to the eligible low-income elderly and/or disabled homeowners. Note that this program is not designed for homes needing major rehabilitation.

Rehabilitation should provide adequate shelter and promote independence and accessibility to persons considered "severely" disabled adults, which meet the Individuals with Disability provision in the Federal Register (November 9, 1995). Priority for service will be based on income, age/disability and funds available to complete the designated scope of work. Qualified applicants must complete all required forms.

The program should utilize every dollar possible for the benefit of the eligible homeowner; however, a small portion of the CDBG funds may be used for administrative costs, insurance, and food/drink items for volunteers and the family present at worksites.

The goal of this program is to maintain the City of El Paso's housing stock while providing a safer, accessible, clean home to allow the existing eligible elderly and/or disabled homeowner to remain in his/her home as long as their health permits thus delaying the need to place the homeowner(s) in alternative housing.

### TYPES OF ELIGIBLE IMPROVEMENTS

The objective of the Volunteer Housing Rehabilitation Program is to increase availability and accessibility of decent housing for low-income elderly and/or disabled homeowners within the City of El Paso city limits. Repair, safety and health issues are to be addressed. Eligible activities include but are not limited to:

- Repair or replace:
  - Air conditioner
  - Furnace
  - Stove
  - Refrigerator
  - Windows
  - Plumbing
- Repair stairs and walkways
- Scraping and patching walls
- Caulking bathtubs and showers
- Interior and exterior painting
- Clean overgrown yards, remove trash and accumulated debris
- Remove mold caused by roof leaks
- Replace or repair roofs
- Replace ceiling tile due to water leaks
- Remove and/or replace torn carpeting and broken tile that is hazardous
- Install grab bars and ramps
- Install ADA approved toilet
- Shower renovations
- Repair or replace door and/or door locks

For a complete list of eligible activities, refer to 24 CFR 570.201 - 5070.206. For ineligible activities refer to 24 CFR 570.207.

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## OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **Eligibility.** Documentation must be maintained indicating that the owner of the property that is being rehabilitated is CDBG eligible under the LMI national objective.
- **Environmental Review Procedures.** Before improvements can be made on applicant housing for Volunteer Rehabilitation all property must be submitted for an environmental review request and approved by DCHD Compliance team. Refer to 24 CFR Part 58.
- **Maximum Value of Rehabilitation.** The total value of improvements at one location (i.e., home) cannot exceed \$4,999.
- **Mobile Home Improvements.** Funding cannot be used to improve mobile homes, regardless if the value of the home or property is more than the maximum value of the rehabilitation.
- **Other Funding Sources.** Applicants applying for Volunteer Rehabilitation Housing Program are not limited to the amount of CDBG funding they may request. If other funding is available, evidence of the funding source(s) must be present with the CDBG application.
- **Presumed Benefit.** The homeowner, meaning the person who holds the real estate title that indicates that they are the rightful owner of the property being improved, is the person who must meet the presumed benefit qualification.

- **Sustainability Considerations.** Projects that include replacement or repair of energy consuming systems (i.e. HVAC, lights, and boilers) must follow Energy Star ([www.energystar.gov](http://www.energystar.gov)) standards.

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## PERFORMANCE GOALS

Subrecipients must have the capability to track their project outcome(s) over time and report on results. Subrecipients will have a contractual obligation to meet projected outcomes. Failure to meet performance outcomes, including but not limited to number of clients served, may result in a hold on reimbursement and/or may negatively impact the applicant's score under a future application submission.

## HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

DCHD projects to receives funding for the Housing Opportunities for Persons with AIDS (HOPWA) program, which was established to provide housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families. HOPWA is the only Federal program dedicated to address the housing needs of people living with HIV/AIDS.

## PROJECT ELIGIBILITY + PERFORMANCE

HOPWA funds may be used to assist in all forms of housing designed to prevent homelessness including emergency housing, shared housing arrangements, apartments, single room occupancy (SRO) dwellings, and community residences. All HOPWA subsidized housing must be located within El Paso County, including the City of El Paso. Supportive services must be provided as part of any HOPWA assisted housing activities. However, HOPWA funds may also be used to provide supportive services independently of HOPWA housing activities. The following activities can be carried out with HOPWA funds:

- Housing information services including, but not limited to, counseling, information, and referral services to assist an eligible person to locate, acquire, finance and maintain housing. This may also include fair housing counseling for eligible persons who may encounter discrimination on the basis of race, color, religion, sex, age, national origin, familial status, or disability.
- Resource identification to establish, coordinate and develop housing assistance resources for eligible persons (including conducting preliminary research and making expenditures necessary to determine the feasibility of specific housing-related initiatives).
- Project- or tenant-based rental assistance including assistance for shared housing arrangements
- Short-term rent, mortgage, and utility payments to prevent the homelessness of the tenant or mortgagor of a dwelling, up to 21 days.
- Supportive services that include, but are not limited to, assessment and case management, drug and alcohol abuse counseling and treatment, mental health, day care, personal assistance, nutritional services, intensive care (when required), and assistance on other Federal/State/Local benefits and services.

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## OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **Eligibility.** Documentation must be maintained indicating that the assisted person is HIV positive or has a diagnosis of AIDS, as determined by a health professional competent to make such a determination. Sufficient determinations include documentation resulting from appropriate HIV tests administered by a physician's office, HIV counseling center or community health center. Documentation must also confirm that the eligible person and his/her family have a low income.
- **Non-Match Funding Stream.** HOPWA funds cannot be used to match other federal grants or loans.



- Persons Served. Applicant must provide services to HOPWA eligible persons and their families.
  - An eligible person is defined as a person with acquired immunodeficiency syndrome or a related disease who is low-income and the family of such a person.
  - The term acquired immunodeficiency syndrome and related diseases means the disease of acquired immunodeficiency syndrome and any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.
  - A low-income individual is a person with household income that is at 80% of the median income or less. HUD income guidelines are issued annually.
- Partnerships. Applicants must state in their Letter of Intent if they plan to partner with another agency. The identification of the partnership and plan of action for the partnership must be outlined in the full HOPWA application when it is submitted to DCHD.
- The partnership must identify the fiscal agent who will be the main applicant for the project.
- If any portion of the project will be carried out by a partner, contractor, consultant or other third party, the Activity/Partner Supplement of the application must be completed reflecting the role of the partner. This supplement will be provided as a module within the application.

Note: City departments are eligible to request in writing from the DCHD Director a waiver for this requirement, however, a matching contribution will be a factor when evaluating each project; nevertheless, other factors will also be taken into consideration in recommending projects for funding.

- Sub-recipient. Only one (1) agency/organization will be awarded the HOPWA grant.
- Supportive Services. Applicants must demonstrate that supportive services will be made available to the HOPWA client(s) occupying or benefiting from the housing project. Letters of support from a minimum of two (2) or more service providers, who will make available the supportive services, need to be included with the application. The type of supportive services to be provided needs to be identified, and whether or not the client will be charged service fees.

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## PERFORMANCE GOALS

Subrecipients must have the capability to track their project outcome(s) over time and report on results. Subrecipients funded will have a contractual obligation to meet projected outcomes.

## PROGRAM REVIEW + SCORING PROCESS

The program review and scoring for HOPWA programs will follow the same review process as CDBG Public Services.

## EMERGENCY SOLUTIONS GRANT (ESG)

Emergency Solutions Grant (ESG) funds street outreach, emergency shelter, homelessness prevention and rapid re-housing and Homeless Management Information System (HMIS) and administration. The purpose of the ESG program is to assist individuals and families to quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. The ESG program is governed by federal laws and regulations including the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act (42 U.S.C. §11302 *et. seq.*) as amended; the HUD regulations codified in 24 Code of Federal Regulations (CFR) Part 576; 24 CFR Part 58, for environmental requirements; 24 CFR Part 200 for Uniform Administrative Requirements; 24 CFR §135.38 for Section 3 requirements; and 24 CFR Part 5, Subpart A for fair housing (collectively, the Federal Rules and Regulations).



## **FUNDING ALLOCATION**

The City understands the importance of an effective crisis response system that makes homelessness rare, brief, and non-recurring. Given the current need to relieve pressure on El Paso's emergency shelters, support for homelessness prevention and rapid rehousing activities is a priority. HUD limits the amount of funding for Emergency Shelter and Street Outreach to 60% of the ESG allocation. Final funding distribution between components will be based on data-informed needs in the community at the time of application review. The following funding distributions are preliminary projections for distribution of ESG funding per component, and are subject to change, based on community need and applications received:

ESG Projected Allocation Per Component	
Allocation	Eligible Activities
25%	Street Outreach
15%	Emergency Shelter
20%	Homelessness Prevention
26%	Rapid Re-Housing
7% (set aside)	Homeless Management Information System (HMIS)
7%	City of El Paso - Administration

## PROJECT ELIGIBILITY + PERFORMANCE

### ELIGIBLE ACTIVITIES

- Street Outreach Component – Eligible street outreach costs include: costs of providing essential services necessary to reach out to unsheltered homeless people, connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility, as further identified in 24 CFR 576.101. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraphs (1)(i) of the "homeless" definition under 24 CFR 576.2.
- Emergency Shelter Component – Eligible emergency shelter costs include: costs of operating emergency shelters, providing essential services to homeless families and individuals. Providing case management; cost of assessing arranging, coordinating and monitoring individualized services. Component services and activities consist of: The use of coordinated entry system, conducting initial evaluations, verifying eligibility, counseling, developing securing and coordinating services and obtaining federal, state and local benefits monitoring and evaluating participant progress, providing information and referrals to other providers, providing ongoing risk assessment for victims of domestic violence, developing an individualized housing service plan, including planning a path to permanent housing stability, as identified in 24 CFR 576.102
- Homelessness Prevention Component – Rental Assistance. Eligible rental assistance includes:
  - Short-term rental assistance (up to 3 months)
  - Medium-term rental assistance (more than 3 months and up to 12 months)
  - One-time payment for up to 6 months of rent in arrears, to include late fees.
- Eligible costs include: rental application fees, security deposits, last month's rent, utility deposits, utility payments (with a limit of 6 months in utility payment arrears), moving costs (including storage costs up to 3 months). Applicants must re-evaluate the program participant's eligibility, type and amounts of assistance, and program participants needs no less than every three (3) months.
- Homelessness Prevention Component – Housing Relocation and Stabilization Services. Eligible services include:

- Housing search and placement;
- Housing stability case management mediation;
- Legal services; and
- Credit repair.
- Eligible case management services include: coordinated entry assessments, initial evaluation, counseling, and coordinating services (for a complete list of eligible case management activities please reference 24 CFR 576.105(b)(2)).
- Rapid Re-Housing Component – Rental Assistance. Eligible rental assistance includes:
  - Short-term rental assistance (up to 3 months)
  - Medium-term rental assistance (more than 3 months and up to 12 months)
  - One-time payment for up to 6 months of rent in arrears, to include late fees.
- Eligible costs includes: rental application fees, security deposits, last month's rent, utility deposits, utility payments (with a limit of 6 months in utility payment arrears), moving costs (including storage costs up to 3 months). The 12 months may include a one-time payment for up to 6 months of rent arrears on the tenant's portion of the rent. Rent amount must not exceed HUD's published Fair Market Rent and the HUD standard for rent reasonableness (24 CFR 982.507). There must be a rental assistance agreement between the landlord and agency and a written lease between tenant and landlord. Eligibility and income shall be reviewed every six months. Participants in rapid rehousing are required to meet with case managers monthly.
- Rapid Re-Housing Component – Housing Relocation and Stabilization Services. Eligible services include:
  - Housing search and placement;
  - Housing stability case management mediation;
  - Legal services; and
  - Credit repair.
- Eligible services under case management include: centralized coordinated assessments, initial evaluation, counseling, and coordinating services (for a complete list of eligible case management activities please reference 24 CFR 576.105(b)(2)).
- HMIS – funding for ESG-funded agencies to cover software licensing fees and other fees incurred by the agency for utilization of HMIS data systems.

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## INELIGIBLE ACTIVITIES

- Acquisition of real property
- New construction
- Legal services for immigration and citizenship matters, and issues relating to mortgages
- Inpatient detoxification and other inpatient drug or alcohol treatment
- Payment of temporary storage fees in arrears
- Bad debts/late fees
- Payment or modification of a debt
- Rehabilitation of structures to the extent that those structures are used for inherently religious activities

- Mortgage payments

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## OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **100% Required Match.** Applicant must match their ESG total award with no less than 100% by cash and/or in-kind contributions from other non-CDBG sources used for ESG eligible expenditures as outlined in 24 CFR 576.201 and 2 CFR 200.306. If awarded funding, the agency must provide a signed document on letterhead attesting to the amount, source and date of availability of matching funds prior to the execution of their agreement with the City. Below are additional requisites that apply to the 100% match requirement:
  - Matching funds must be used on an eligible ESG activity for allowable costs.
  - Not more than 50% of agency match may be derived from donations. Clothes and toy donations cannot be used as match.
  - Matching funds are provided based on the total grant award and do not have to be provided on a component-by-component basis. For example, if an agency is awarded \$10,000 for HMIS, they do not need to find \$10,000 in data collection funds from another source as match. Rather, the \$10,000 match could be used on another ESG component towards allowable costs.
  - Matching funds must not, and will not, be used to match any other Federal program's funds nor any other federal, state and/or local grant.
  - Agency must keep records of the source and use of contributions made to satisfy the match requirement. Refer to HUD's 24 CFR Part 576.201 for further information on ESG's matching requirement.
- **PHIX Data Submission.** All ESG subrecipients are required to submit client data to the Public Health Information Exchange (PHIX).
- **El Paso Helps.** ESG-funded street outreach services must align with and compliment El Paso Helps, the City-led initiative to coordinate street outreach and other services for vulnerable populations.
- **Administrative Capacity.** ESG funds are distributed on a reimbursement basis. All agencies receiving funds must demonstrate administrative and financial capacity to fully operate the proposed project for a period of at least three months prior to reimbursement.
- **Written Standards.** Applicants must certify they have written standards that comply with the requirements of 24 CFR §576.400 to include order of priority. Additionally, a copy of the written standards of the program will be required within 30 days of submission of application.
- **Budget Revisions.** Budget revisions may be requested among existing budget line items within an ESG component. All budget revisions occurring within the contract period may not exceed 20% of the total award without approval of the DCHD Director or their designee. A moving of funds between different ESG components requires a contract amendment and should be avoided if possible.
- **Contact Information.** At least three contact names, phone numbers and email addresses must be provided with each application. The agency's Executive Director must be one of these three contacts. Applicants are responsible for submitting updated contact information throughout the funding year.
- **Eligibility Guidelines.** Applicant must provide direct services to at-risk or homeless individuals and families. Applicant is required to verify each client's eligibility status.
- **Emergency Shelter.** While applicants may apply specifically for "Emergency Shelter" funding from both the Emergency Solutions Grant and the Community Development Block Grant, any awarded funding will only be from one of those entitlement grants.
- **Funding Request.** Minimum funding request by applicant for any project must be \$100,000.

- **HMIS Participation.** Applicants for ESG are required to participate and enter their data in the El Paso Homeless Management Information System (HMIS). Refer to the local requirements section of this document for detailed HMIS participation requirements.
- **Multiple Sites.** Each physical location where funded services are provided is considered to be a separate activity. Any project that provides services in more than one location must complete an Activity/Partner Supplement for each site. The budgets for combined sites or activities must align with the budget for the overall project.
- **Partnerships.** Applicants are encouraged to collaborate in order to maximize the use of funding and streamline services. Applicants must state in their Letter of Intent if they plan to partner with another agency. The identification of the partnership and plan of action for the partnership must be outlined in the full ESG application when it is submitted to DCHD.
- If any portion of the project will be carried out by a partner, contractor, consultant or other third party, the Activity/Partner Supplement of the application must be completed reflecting the role of the partner. This supplement will be provided as a module within the application.
- **Program Income.** Applicants are required to report program income and expended match funds monthly.
- **Rental Assistance.** Applicants who apply to provide Rental Assistance will be required to conduct inspections of housing units for compliance with Housing Standards (24 CFR Part 576.403(c), Lead-Based Paint requirement Standards (24 CFR Part 35, 576.403(a), Fair Market Rent and Rent Reasonableness Standards (24 CFR Part 576.106(d)
- **Staff hours.** The City will only reimburse applicants for staff hours that are spent on direct services funded by ESG to eligible clients.

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## PERFORMANCE GOALS

Applicants must have the capability to track their project outcome(s) over time and report on results if the project/activity is eventually funded. Funded projects will have a contractual obligation to meet projected outcomes. Failure to meet performance outcomes, to include unduplicated clients served, may result in a hold on reimbursement. Further technical assistance on this subject will be provided to funded agencies.

## MULTI-FAMILY REHAB AND NEW CONSTRUCTION

The HOME Investment Partnerships Program (HOME) provides formula grants to states and local governments to fund affordable housing activities including acquiring, constructing, and/or rehabilitating affordable housing for rent or homeownership. HOME funds are typically dispersed in the form of grants, amortized loans, and deferred forgivable loans.

The CDBG Revolving Loan Fund (RLF) is a combination of proceeds from principal and interest generated from prior years' first-time home buyers, single family renovation, and multi-family affordable rental development borrowers. These funds cannot be used for new construction of affordable housing under the U.S. Department of Housing and Urban Development (HUD) regulations, but may be used to support housing rehabilitation programs for multi-family affordable rental units.

The El Paso Regional Housing Plan guides HOME and CDBG investment in affordable housing production, rehabilitation, and homebuyer assistance. Following are descriptions of the housing programs that may be deployed under HOME and CDBG-RLF.

## MULTI-FAMILY REHAB AND NEW CONSTRUCTION

The purpose of this program is to increase the supply of affordable rental housing stock available to low income El Pasoans (households at 60% or less AMI). This program offers financing for new construction, rehabilitation, or reconstruction of investor-owned, public housing authority-owned, and/or Community Housing Development Organization (CHDO)-owned affordable housing units. Assistance is in the form of an amortized loan and/or forgivable deferred payment loan. When sufficient fund balances are available, the Department of Community and Human Development (DCHD) issues a Notice of Funding Availability (NOFA) to receive proposals for new construction or rehabilitation of affordable rental units. The NOFA establishes a tentative amount of funding that is made available. Should DCHD receive an abundance of quality proposals, the tentative amount of funds available under the NOFA may be increased at the DCHD Director's discretion. Award of funds for projects are approved by the City Council.

## **FUNDING ALLOCATION**

The funding allocation for each of the housing programs described above will be determined based on community need and the ability for programs to feasibly serve El Pasoans given HUD requirements and housing market conditions. Actual allocations are to be established through approval of the upcoming year's Annual Action Plan which is approved by the City Council.