

2012
CD PROGRAM TRAINING

WELCOME

AGENDA

- 1) How to Survive a HUD Audit!
(Record keeping and retention)
- 2) Pop quiz!
- 3) The Davis Bacon and Related Acts
- 4) Fair Housing
- 5) Section 3
- 6) Women and Minority Owned Businesses

HOW TO SURVIVE A HUD AUDIT!

- Are you meeting a **National Objective**?
 - Benefit to low- and moderate-income persons
 - Aid in the prevention or elimination of slums or blight
 - Meet an urgent need
- Is it an **Eligible Activity**?
 - HUD identifies what is and what is not eligible

HOW DO I DOCUMENT A NATIONAL OBJECTIVE?

LIMITED CLIENTELE

- How can you prove you are serving Limited clientele?
 - Income and family size documentation
 - Homeless, battered women, etc. documentation

LOW MOD HOUSEHOLD

- How can you prove you are completing a Low Mod Household activity?
 - Income and household size documentation

HOW DO I DOCUMENT A NATIONAL OBJECTIVE?

LOW MOD JOBS

- How can you prove you are creating Low Mod jobs or retaining jobs?
 - Income and household documentation
 - Employment documentation

LOW MOD AREA

- How can you prove you are providing an Area Benefit?
 - Target population, hours open, building use, services offered

HOW DO I DOCUMENT AN ELIGIBLE ACTIVITY?

- Document the activity
 - Housing- construction file
 - Public Services- program schedules, milestones, provisions
 - Economic Development- training, interviews, skills developed
 - Public Facilities- construction files, before and after pictures

WHAT ALL PROGRAMS SHOULD DOCUMENT:

- National Objective
- Eligible Activity
- Participant Information
 - Race, ethnicity, and income (Intake sheets)
- Payment Requests and back-up

PUBLIC FACILITIES- ADDITIONAL DOCUMENTATION

- Procurement
 - Bid documents, contract, dates
- Lead Paint Remediation Documentation
- Pictures (Before, during, and after)
- Labor Standards
- Property Liens
 - Under \$100,000: 5 Year
 - Over \$100,000: 10 Year

HOUSING CONSTRUCTION/REHAB ADDITIONAL DOCUMENTATION

- Project Description / Location
- Written agreement with owner
- Environmental Review
- Section 3 & WBE/MBE
- Acquisition / Relocation /1-4-1 Replacement
- Labor Standards
- Debarment & Suspension
- Bids documents

HOUSING CONSTRUCTION/REHAB ADDITIONAL DOCUMENTATION (CONT)

- Contracts and Sub-Contracts
- Lead Based Paint
- Maximum Property Value
- Property Liens / Restrictive Covenants
- Inspections
- Change Orders
- Contractor payments
- Etc., etc., ETC,!

POP QUIZ!



HUD REQUIRES PROGRAM RECORDS RELATED TO ESG AND CDBG GRANTS TO BE HELD FOR:

- A. 10 years
 - B. 4 years
 - C. 5 years
 - D. Forever and a day
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THE SALVATION ARMY RECEIVED A CDBG PUBLIC SERVICE AND ESG AWARD FOR 2011, AND COMPLETED THE GRANTS ON MARCH 31, 2012. WHEN HAS THE FOUR YEARS ELAPSED FOR RECORD RETENTION?

- A. April 1, 2016, 4 years after the grant period expired.
- B. April 15, 2016, 4 years after the final report was submitted.
- C. June 30, 2016, 4 years after the City's Annual Report is submitted to HUD.
- D. October 31, 2016, 4 years after Janie Miller retires from the City.

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UNDER WHICH OF THE FOLLOWING CIRCUMSTANCES WOULD THE SALVATION ARMY NEED TO RETAIN RECORDS BEYOND THE 4 YEAR MINIMUM?

- A. The auditors question whether Dan Moore really earned his pay in 2011 in the 2015 audit.
 - B. Dan Moore sues the auditors for defamation of character.
 - C. Dan settles out of court in May, 2016, but the federal General Accounting Office (GAO) shows up in July asking embarrassing questions.....
 - D. All of the above.
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BEN VANTASSEL IS EXCITED BECAUSE HE BOUGHT A HOME FROM ONE ROOF LAST WEEK. ONE ROOF USED HOME DOLLARS TO REHAB THE HOUSE, AND THE REGULATIONS REQUIRE IT REMAIN AFFORDABLE FOR 10 YEARS. WHEN CAN ONE ROOF THROW OUT THE FILES ON THIS SALE?

- A. August 1, 2022, 10 years after Ben purchased the house.
- B. August 1, 2027, 5 years after the affordability requirement expired.
- C. March 31, 2027, 15 years after Suzanne entered the completed the project in IDIS.
- D. August 1, 2111, 99 years after the house was purchased.

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- A. 4 years for CDBG projects, 5 years for HOME projects.
 - B. 4 years CDBG, HOME projects 5 years after the affordability expires.
 - C. Until the buildings are no longer required to be affordable and are sold to new owners.
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HOW TO AVOID PROBLEMS..... WITH RECORD RETENTION!

- Know the minimum years required, and keep for at least one additional year.
- Note on stored files when it will be safe to destroy, and purge once a year.
- Keep records in a safe place.
- Provide “reasonable access” to records while maintaining confidentiality.
- If there is a chance that you might end up in court, save them.
- When in doubt about an electronic record, keep a hard copy.
- REMEMBER: If it isn’t written down, HUD doesn’t believe it happened!

- Any questions regarding record keeping? Now’s the time to ask!

THE DAVIS BACON AND RELATED ACTS

“Prevailing Wage”

“Labor Standards”

“DBR”

DAVIS BACON- WHAT IS IT?

- 1931
- Legislation that ensures federally funded construction projects pay the prevailing wage
- Prevents companies from paying low wages in order to lower their bids on projects
- Relates to wages and benefits of workers on construction sites

DAVIS BACON- WHAT PROJECTS APPLY?

- Federally funded Construction Projects
 - CDBG
 - Public Facilities- all projects
 - Housing- projects with 8 or more units
 - NSP
 - All projects with 8 or more units
 - HOME
 - 12 or more units

DAVIS BACON- THE PROCESS

- Submit wage and benefit payrolls- for the entire project (not just the federally funded portion)
- Reviewed
 - If approved: payment is made
 - If not approved: funds withheld

FAIR HOUSING



FAIR HOUSING

- Impediments to fair housing choice, defined by HUD are:
 - Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status or national origins, which restrict housing choices or the availability of housing choices, or
 - Any actions, omissions, or decisions which have an affect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

FAIR HOUSING- IMPEDIMENTS

- IMPEDIMENT 1: LACK OF INFORMATION AND EDUCATION
- IMPEDIMENT 2: HOUSING DISCRIMINATION AGAINST PROTECTED CLASSES
- IMPEDIMENT 3: SPECIAL NEEDS POPULATIONS ARE OVERLOOKED
- IMPEDIMENT 4: HOUSING CODE ENFORCEMENT
- IMPEDIMENT 5: LOSS OF AFFORDABLE HOUSING UNITS

SECTION 3 OF THE HOUSING AND URBAN
DEVELOPMENT ACT OF 1968 AND AS
AMENDED BY THE HOUSING AND
COMMUNITY DEVELOPMENT ACT OF 1994

“SECTION 3”

WHAT IS IT FOR?

- Promote local economic development
- Neighborhood economic improvement
- Self-sufficiency

WHO DOES IT APPLY TO?

- Any project using HUD Funds (CDBG, HOME, ESG) that involves construction or rehabilitation of housing (including reduction of lead based paint hazards), or other public construction such as homeless shelters, street repair, sewage line repair, updates to building facades in the excess of \$100,000 (not cumulative).

HOW IS IT APPLIED?

- When a contractor/business is bidding on a HUD funded project, the contract may be awarded to a certified Section 3 business if the bid/offer is no more than 5% greater than the lowest responsible offer

WHAT IS A SECTION 3 BUSINESS?

- 51% or more owners are Section 3 residents Or
- At least 30% of the full time employees (regular, seasonal, or temporary) are Section 3 residents are were 3 years from their date of employment

WHO ARE SECTION 3 RESIDENTS

- Public housing resident
- A low or very low income person
- Person receiving TANF/MFIP
- Veteran of Military Service

- But must be qualified for the position!!!

WHERE CAN I FIND SECTION 3

- Minnesota Workforce Center- partnering agencies use resources to advertise positions to qualified individuals
- City of Duluth/St. Louis County has a listing of Section 3 businesses
- Section 3 plan is on our website

WHAT IS MBE/WBE?

- Minority and Women-Owned Business Plan
 - Encourage and provide equal opportunities to minorities and/or women
 - Notify contractors that MB/WB will be afforded the maximum feasibility opportunity to submit bids
 - Legal requirement
 - Qualified based

DOCUMENT

DOCUMENT

HELPFUL LINKS:

Fair Housing Info:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws

Davis Bacon Info:

<http://www.dol.gov/whd/govcontracts/dbra.htm>

Section 3 Info:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3

Questions?

Topic suggestions for next year?
