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A. Contractor Policy

I. CONTRACTORS

- A. Every job contract, agreement and work specifications will include the Lead Paint Clause (42 U.S.C. 4821-4846) and implementing regulations at CFR part 35.
- B. All Contractors, wishing to perform work for and/or on behalf of clients of LCCEDD must be on the approved contractors list and meet criteria to be on the list. To get on the approved contractors list, all Contractors and Sub-Contractors shall be required to:
 1. File an application with LCCEDD including all of the certifications, licenses, insurance, workers' compensation, documents, and attachments as required. Be duly licensed, bonded, and insured pursuant to the rules, regulations, and codes of both the Lake County Plan Commission (LCPC) and LCCEDD prior to being placed on the approved list. Failure to keep license, insurance, and workers' compensation current and enforceable shall immediately cause Contractor and/or Sub-Contractor to be removed from the approved list. Contractors that the LCCEDD staff believes to be violating any county ordinance shall be suspended from the list until the Lake County Redevelopment Commission (LCRDC) can be convened and information can be presented to the LCRDC by the Contractor and/or LCCEDD to determine status of the contractor to remain on the approved list. The LCRDC decision, when made, shall be final and the LCRDC can place reasonable conditions for renewal and/or reinstatement on the approved list.
 2. All Contractors shall comply with the Responsible Bidding Ordinance adopted by the Lake County Council on September 8, 1998, when applicable per the guidelines and policies adopted by the LCRDC.
 3. Sign an affirmative action agreement on each job.
 4. Sign a non-collusion affidavit on each job. In the event that the contractor or the owner or both contrive to participate in any type of collusion, either or both may be subject to \$10,000 fine or imprisonment or both.
 5. All contractors working on behalf of LCCEDD or its clients must comply with all federal, state, and local laws, ordinances, and regulations, workers' protections (e.g., OSHA, FLSA, HUD, Worker's Comp.), environment protections, and immigration.
 6. Obtain and pay for all permits and licenses necessary for completion and execution of work and labor to be performed. Perform all work in conformance with applicable codes and requirements, whether or not covered by specifications and drawings for the work.
 7. Keep premises clean and orderly during the course of work and remove all debris at completion of the work. Materials and equipment that have

been removed and replaced as part of the work shall belong to the homeowner unless the owner desires to give same to the contractor.

8. The contractor shall not assign the contract without written consent of the owner and the Community Economic Development Executive Director.
 9. Guarantee the work performed for a period of 1 year from the date of final acceptance of all work required and completed under the contract. Furthermore, furnish the owner with all manufacturers and suppliers written guarantees and warranties covering materials and equipment furnished under the contract.
 10. Permit the Rehab Specialist, HUD inspectors, City inspectors and County inspectors to inspect the work as they deem necessary.
 11. All contractors and subcontractors shall have a Dun & Bradstreet number.
- C. Contractor must commence work within 30 days of a written notice to proceed.
- D. Contractor must satisfactorily complete work within 90 days after issuance of the notice to proceed order unless a different time limit is stipulated dependent on availability of materials and/or weather conditions. If the contractor fails to complete work within the stipulated time period, the property owner, with consent of the Executive Director, will send the contractor a registered letter informing him that if the work is not satisfactorily completed within 10 days from the date of the letter the Executive Director and property owner will hire a different contractor.
1. The second contractor will be paid first. The first contractor will only be entitled to the difference between the contract price and what is paid to the second contractor providing the first contractor performed sufficiently acceptable work.
- E. Contractor will be paid contract price balance in lump sum, minus 10 percent hold back and allowing for agreed upon draws during course of work progression, after the final inspection, contractors submission of all warranties and waivers, receipt a one year guarantee on all work done and certificate of satisfactory completion from both himself and subcontractors, and a signed certificate of completion by himself and property owner. Partial payments will also be subject to 10 percent hold back. Payment will normally be made within 45 days or sooner after completion of work and submission of all aforementioned written materials.

II. CHOOSING A CONTRACTOR

- A. Proposals will be solicited from all contractors on our contractors list applicable to the work specifications. The owner may bring in his/her own contractor or

accept a contractor from those contractors submitting proposals who have answered the LCCEDD solicitation.

- B. A Responsive and Responsible contractor and/or sub-contractor will be defined as a reputable firm with a history of quality job performance, correct and timely responses to project deadlines and specifications and clean records with regulatory enforcement agencies.
- C. The contractor who submits the most responsive and responsible proposal and who can meet all LCCEDD criteria will be chosen for the project, unless the owner wishes to select another contractor and:
 - 1. In the event that the owner wishes to go with a higher proposal he/she must pay into an escrow account the difference between the lowest acceptable proposal and the higher proposal they wish to accept.
 - 2. In this event, the owner's money will be used first on any payments for construction work completed.
- D. All proposals submitted will be sealed proposals and will include any documents required by LCCEDD and HUD.
- E. To be acceptable, a proposal must be within 10 percent of the estimate developed by the LCCEDD inspector. If we are unable to negotiate any of the proposals to within 10 percent of our estimate, we will re-solicit for new proposals unless the agency determines that its estimate should be adjusted. After the second solicitation, if no proposals are acceptable, LCCEDD will have their Inspector re-estimate the job and will repeat the solicitation process.
- F. The Department's Rehabilitation Inspector will access & review the HUD On-line Suspended or Debarred Contractor listing before awarding a job to a successful bidder. The review result will be documented in the case file.

III. OWNER'S OBLIGATIONS TO CONTRACTOR

The owner will:

- A. Permit the contractor to use, at no cost, existing utilities such as light, heat, power, and water necessary to carry out and complete the work.
- B. Provide the contractor access onto his property during the hours of 7 a.m. to 6 p.m., Monday thru Saturday, or as otherwise mutually agreed upon.
- C. Stipulate whether the property will be occupied or vacant during the course of construction work.
- D. A provision that the contract consists of the proposal, the general conditions, the specifications incorporated therein by reference and the drawings if any; copies of which shall be retained by all parties.
 - 1. Contractor Notification – Proposals will be solicited, with owner's approval, by requesting proposals from all contractors on the approved contractor's list applicable to the work being performed.

2. Contractor Selection – Selection of a contractor by the owner shall be made after a review of proposals for completeness to ensure that the specifications have been adhered to.
 - a. The owner will accept the lowest proposal or, if they choose to select a higher proposal, will pay into escrow in advance of construction, the difference between the low proposal and the one they select.
 - b. Acceptable Proposal – An acceptable proposal is one that, upon review, does not exceed the Department’s estimate by more or less than 10 percent. In the event no acceptable proposals are received, the Department shall reject all proposals and repeat the proposals process.

IV. CONTRACT DOCUMENT

The contract will consist of the proposal, general conditions, specifications incorporated by reference and drawings, if any. Copies of which shall be retained by all parties.

V. QUALIFIED CONTRACTORS

LCCEDD shall establish and maintain a current listing of qualified contractors, sub-contractors, and material suppliers who can perform, and are interested in doing rehabilitation work financed through rehabilitation loans and grants for department programs.

- A. Minority and women contractors will be encouraged to participate by LCCEDD, the owner, and general contractor.
- B. Contractors who do not maintain staff and equipment and/or are “Brokers” who sell construction contracts shall not be included.

VI. CONTRACTORS LIST

The Contractors List of the LCCEDD shall be annually approved and adopted by the Lake County Redevelopment Commission (LCRDC). Typically, this approval will be between March and June of each year, this allows for Contractors and Sub-Contractors to renew their annual license with the Lake County Plan Commission.

- A. LCCEDD shall require:
 1. Adequate active General Liability Insurance Certificate indicating LCCEDD as a Certificate Holder/Endorsee, with agent, amounts, expiration date(s), and official name of insurer;
 2. Proof of Workers’ Compensation;
 3. Banking Affiliations;
 4. List of usual sub-contractors;
 5. List of principal suppliers;

6. Names and addresses of at least three residential rehabilitation or remodeling jobs done by the contractor;
7. List of all officers of the company;
8. Proof of MBE or WBE, if applicable;
9. Copy of all County Licenses, Community Licenses, and Lead Certification, if applicable;
10. A signed Affirmative Action Agreement;
11. Responsible Bidding Ordinance;
12. Proof of Drug testing programs and compliance procedures;
13. Signed Memorandum of Understanding.
14. Compliance with Resolutions and/or Directives adopted by The Lake County Redevelopment Commission.

Contractors who meet all the above criteria shall be placed on the list of acceptable contractors. No contractor shall be placed on the list who is subject to HUD - RECD debarment, bankruptcy, or who has not completed other jobs according to LCCEDD records and in compliance with LCCEDD guidelines.

B. Miscellaneous Provisions:

1. Contractors list shall be open to public review.
2. In any instance of unsuccessful bidding on a job, LCCEDD will as soon as possible, notify the contractor that his proposal was unsuccessful.
3. In order for a proposal to be binding, the award shall be made within a period of 30 days from the cutoff date established by LCCEDD unless a later date is agreed upon in writing.
4. Contract Award – LCCEDD shall distribute the executed contract documents to the Contractor, Grantee, and the Executive Director.

VII. NOTICE TO PROCEED ORDER

The Notice to Proceed order, which shall be executed by the grantee at the time of the contract award, shall be issued within thirty (30) days of the acceptance of the contractor's proposal, and shall require the start of construction within thirty (30) days or less from the date of the orders signing. Settlement is considered completed only after recording of the mortgage and expiration of rescission right where applicable. Notice to Proceed order will be distributed to contractor, grantee, and LCCEDD

VIII. LABOR PERFORMED BY OWNER

A property owner may complete some of the tasks required to rehabilitate his property if he/she has the skill required to do the work. Self-help is usually appropriate for unskilled tasks such as clean-up, demolition of some structures and for work that involves minimal use of costly materials and equipment.

- A. LCCEDD will approve self-help at their discretion. Self-help funds will cover costs of materials listed in the contract only. Professionals can include 10 percent (10%) of materials and labor and 10 percent (10%) of overhead. Loan proceeds to pay for supplies, materials, and equipment will be disbursed after they have been properly installed and approved by LCCEDD and other Town/City or government inspectors involved.
- B. When some of the rehab work is to be done by self-help and the remainder is to be done by the contractor, this shall only be done by written agreement between these two entities, LCCEDD, and any other agencies.
- C. No individual may act as his/her own General Contractor unless:
 - 1. They will physically do at least 51 percent (51%) of the work themselves.
 - 2. They are a licensed General Contractor.
 - 3. They are able to obtain a license in their community to do the work.
 - 4. Any work they physically do themselves, they will not be paid for labor costs.
 - 5. Any sub-contractors they may hire must be licensed contractors in their own right and each of these subcontractors will be required to complete all the Lake County Community Economic Development Department forms including Standard Questionnaires and Financial Statements, Non-Collusion Affidavits and Affirmative Action Statements and any other required forms or certifications. Such contractors will be given copies of Lake County Rehabilitation Specifications and any other forms necessary and will be approved by the LCCEDD before they can be accepted as legitimate bidders on any portion of the Rehabilitation work to be performed.
 - 6. All sub-contractors so chosen will be expected to provide LCCEDD with current copies of their Licenses, Workmen's Compensation Insurance and General Liability Insurance.

Failure to possess any of these items will make such Sub-contractors ineligible to work on any HUD jobs through any Lake County Community Economic Development Department rehabilitation programs.

IX. COMPLETION AND DISBURSEMENT PROCEDURES

A project will not be considered complete until the following steps are completed:

A. Final Inspection:

Inspection of all work from the work write-ups to ensure completeness, conformity to specification, and the quality of the workmanship. Failure of a contractor to comply with any request for completion or correction of work may be considered grounds to withhold all or part of the payment due to the contractor.

B. Homeowner Acceptance:

Acceptance of work completed will be acknowledged by signing of a certificate of satisfactory completion. Said certificate will require signatures of the owner, contractor, and LCCEDD.

C. Recording of the Lien:

LCCEDD will insert the final amount of LCCEDD (HUD) loan into proper lien documents and record same with the Lake County Recorder. A copy of the lien will go to the owner and appropriate copies or original will be kept by LCCEDD.

D. Payment will be made by a drawdown from HUD through normal LCCEDD (HUD) procedures covering CDBG and HOME projects.

B. Citizen's Participation (CP) Plan

I. PURPOSE

The purpose of this Plan is to provide a means and process for full and meaningful participation by the citizens of Urban Lake County*, particularly those that are very low and low income, into the process of developing the County's Consolidated Plan (CP) and the Assessment of Fair Housing (AFH) and the consequent review of the use of the Community Development Block Grant (CDBG) Entitlement Fund, the HOME Investment Partnership Fund (HOME) and other U.S. Department of Housing and Urban Development (HUD) funds. Lake County shall continue to have ultimate responsibility and authority for the development of the Consolidated Plan, the Assessment of Fair Housing, and the execution of CDBG, HOME and other HUD funded programs.

II. GENERAL OBJECTIVES

It shall be the general objective of this CP Plan to:

- A. Encourage Citizens to participate in the development of the Consolidated Plan, any amendments to the Plan, and its performance reports, and
- B. Particularly encourage citizen participation by very low and low income persons, minorities, public housing residents and residents of publicly assisted private housing, and residents of blighted neighborhoods targeted to receive CDBG, HOME and other HUD funds, and
- C. Provide citizens with reasonable and timely access to local meetings, information and records relating to the Consolidated Plan, the Assessment of Fair Housing and the actual use of HUD funds, and
- D. Provide technical assistance, if requested, to groups representing primarily low and moderate income persons in developing proposals for funding assistance, and
- E. Provide adequately publicized public hearings to obtain citizen views and respond to proposals and questions at convenient times and locations and with adequate accommodation for the handicapped, and
- F. Provide timely substantive written responses to all written citizen complaints within 15 working days where practical, and
- G. Provide for the needs of non-English speaking residents when significant number of non-English speaking residents can be reasonably expected to participate.

*Urban Lake County is defined as all of Lake County except the cities of Gary, Hammond, and East Chicago.

III. CONSOLIDATED PLAN

- A. Citizens are encouraged to participate in the development of the Consolidated Plan, the Assessment of Fair Housing and any amendments to the plans and the performance reporting.

B. Information Available

The following information shall be made available in the following manner in order that Urban Lake County citizens adequately understand, and are aware of, the consolidated planning process and formula funded programs subject to it.

1. The County shall prepare, as an appendix to the Consolidated Plan, a summary of its CDBG Entitlement and any other HUD formula programs for which Lake County may become eligible. Included in the summary will be; a) the amount of funds Lake County expects to receive on an annual basis, b) the amount of funds that will benefit persons of very low and low income, c) the range of activities eligible for funding and d) the County's anti-displacement and relocation assistance plans.
2. The County shall publish a summary of the proposed Consolidated Plan in one of the newspapers of general circulation for the County requesting public comment and stating that copies of the full Plan are available for study at the Lake County Government Center, the Lake County Library, on the internet at www.lakecountyin.org (under Departments tab; County Services; Lake County Community Economic Development) and at the governmental offices of each of the 16 participating communities. The summary will describe the content and purpose of the Consolidated Plan.
3. The County shall publish a notice of availability in one of the newspapers of general circulation for the County of the Consolidated Plan and the Assessment of Fair Housing as adopted, any amendments to the Plan, and any of the Plan's performance reports. This notice must be published at least 30 days prior to any of these documents being submitted to HUD to allow the County to receive comments from citizens.

- C. Access to Records – The County shall provide to all requesting parties reasonable and timely access to information and records relating to Lake County's Consolidated Plan and Assessment of Fair Housing, and the use of CDBG and other possible HUD formula funds governed by this Plan. Program records will be kept available for at least 3 years.

Reasonable access consists of requests received during office hours for public information to be inspected at the County Community Development Office at the Lake County Government Center in Crown Point, Indiana. Duplicate copies of records will be provided at cost. Records containing client income, and other financial information, will not be released without that client's written permission.

Timely access consists of providing information on demand in most cases. In all cases involving current records where less than one person hour is needed to provide all the records requested, these records shall be provided in one working day. In the case of inactive records less than three years old, and multiple requests for information, information shall, if available, be provided pursuant to Indiana Code and Lake County policies.

- D. Technical Assistance – The County shall provide technical assistance to groups, representative of very low and low income persons, which request assistance in the developing proposals for funding assistance under CDBG, or any other HUD formula programs for which the County may become eligible. The County will provide staff assistance in the analysis of program eligibility and engineering/architectural practicality, but the total amount of time may be limited to four staff person hours. County staff will, as appropriate, also assist in presentations before public meetings.

IV. PUBLIC HEARINGS

The County shall conduct at least two public hearings per year to obtain citizen's views:

- A. There shall be one public hearing for the Assessment of Fair Housing and at least two other public input meetings. The public input meeting(s) shall be held prior to when the proposed Assessment of Fair Housing is advertised for comment. The public hearing shall be held after the comment period but before the Assessment is submitted to HUD.
- B. There shall be two public hearings for the Consolidated Plan. The first public hearing shall be held prior to when the proposed Consolidated Plan is published for comment. This hearing shall address housing and community development needs, and review program performance.

The second public hearing shall be held after the comment period but prior to the Plan's adoption and submission to HUD. This hearing shall address, at a minimum, the development of proposed activities.

- C. Advance notice of these public hearings shall, at a minimum, be published in a local newspaper of general circulation in the County 10 days prior to the hearing date and posted on the Lake County, Indiana, website (see III B (2) above or V. below). In addition to the date, time and location of the hearing, the notice shall include a brief description of information which will be presented to the public at that meeting and the citizen input that is specifically being sought from the public at this time.
- D. Hearings shall be held at times and locations convenient to potential and actual beneficiaries. Evenings Monday through Thursday, starting between 4:00 PM and 7:30 PM will be considered convenient in most cases. Any place of assembly that holds at least 30 persons, is located within Urban Lake County, is accessible to persons with disabilities, and has adequate parking will be considered sufficiently convenient. While the exact location of such hearing(s) may vary, depending on the subject and content, the most likely locations include the Lake County Government Center in Crown Point, the general governmental offices of participating Cities and Towns, and Township meeting halls.
- E. If 10 or more non-English speaking residents speaking the same language can reasonably be expected to participate, the County shall attempt to secure a translator for the meeting. The hearing may be held over to a second date in order to accommodate the schedule of the translator.
- F. Written minutes of all advertised public hearings shall be made.
- G. In addition, each City and Town participating in the Community Development Block Grant program will be required to advertise, in a manner similar to the County, a public

hearing on the Consolidated Plan and the activity/ies it proposes to undertake with County CDBG, or related program, funds. They must hold these hearings at times and places convenient for attendance by interested local citizens.

V. COMMENTS

Lake County will consider any comments or views of citizens in preparing the Consolidated Plan, any amendment to the Plan, its performance report, and any grant and entitlement funds subject to the Plan. Comments can be mailed to LCCEDD; 2293 North Main Street; Crown Point, Indiana, 46307 or emailed by going to www.lakecountyin.org (under Departments tab; County Services; Lake County Community Economic Development). A written summary of these comments or views will be attached to the Consolidated Plan along with the reason(s) any views and comments were not accepted.

VI. COMPLAINTS

Lake County recognizes it bears the primary responsibility for resolving citizens' complaints and concerns regarding the Consolidated Plan, its amendments, and implementing activities and performance report. The following shall be the procedure for filing a grievance concerning the programming of operation of the Lake County CDBG, HOME and related programs:

All unwritten complaints shall be handled by the program manager receiving the complaint. The manager shall keep accurate notes for permanent file of what the complaint was, what the response was, and the rationale for that response.

A written complaint shall trigger the following formal grievance procedure:

1. The Department Director (or assignee) shall reply in writing to written complaints within 15 working days, if practical. If not practical the Director shall provide an explanation in writing and an estimate as to when a response would be provided. Such reply shall respond to each item of complaint, stating the Director's understanding of:
 - a. The cause of the problem,
 - b. The County's involvement and responsibility, and
 - c. Actions, if any, that will be taken by the County and suggested actions by others.
2. If the citizen is not satisfied with the Director's written reply, he/she may request in writing a hearing before the County Commissioners within 15 days.
 - a. The hearing shall be scheduled within 15 days of receipt of a written request for appeal.
 - b. The Commissioners (or their designee) shall hear testimony from both the citizen and Director in a manner prescribed by the Commissioners.
 - c. The Commissioners shall accept, reject, or modify the program Director's decision and provide a written rationale within 30 working days.

3. All written material submitted generated by the complaint procedure shall be placed in the Lake County Citizen Participation file. The complainant shall be informed that, if they are not satisfied with the decision rendered by the Commissioners, they have a right to make written complaint to the funding agency involved. The County shall provide the complainant with the proper names, addresses, and telephone numbers necessary to forward said complaint to HUD.

VII. SUBSTANTIAL CHANGE DEFINITION

A substantial change in the planned or actual activities that requires an amendment to the Consolidated Plan exists when either of the following circumstances occur:

- A. When a new eligible activity is proposed as delineated in 24 CFR part 570 subpart C; or
- B. When an existing activity is:
 1. Expanded into an area not contiguous to the original service area; or
 2. Expanded into a Census Block Group meeting a different National Objective; or
 3. Expanded or reduced, budget-wise by:
 - a. Greater than 15 percent and at least \$75,000.

VIII. ADOPTION AND AMENDMENT

The above Citizens Participation Plan shall be in effect from the date of its approval by the Lake County Redevelopment Commission and affirmation by the Lake County Commissioners.

Randolph Palmateer, President, Lake County Redevelopment Commission DATE

Michael Repay, President, Lake County Commissioners DATE

C. Language Access Plan

In compliance with Executive Order 13166, the Lake County Urban County Entitlement Area in Indiana has developed the following Language Access Plan (LAP) for Limited English Proficiency (LEP) persons. Title VI of the Civil Rights Act of 1964 is the federal law which protects individuals from discrimination on the basis of race, color, or national origin in programs that receive federal financial assistance. In certain circumstances, failure to ensure that people with limited English proficiency can effectively participate in, or benefit from, federally assisted programs may violate the Title VI prohibitions against national origin discrimination. Persons who, as a result of national origin, do not speak English as their primary language and who have limited ability to speak, read, write, or understand English may be entitled to language assistance under Title VI in order to receive a particular service or benefit.

A four-factor analysis has been developed to determine which language assistance measures the Lake County Urban County Entitlement Area will undertake to guarantee access to the Community Development Block Grant (CDBG) program by LEP persons.

- Factor 1 – Eligible Population: The Lake County Urban County Entitlement Area has a significant population of Spanish speakers (more than 10 percent). There are no other significant non-English speaking populations.
- Factor 2 – Frequency: Since proposed activities include direct benefit to individuals, people with LEP may encounter the program. In some cases, eligible persons may not be participating or encountering the programs because of language barriers. Some participants may require language assistance.
- Factor 3 – Nature or Importance of the Program: Proposed activities are those likely to build bridges out of poverty through ability to work and ability to increase educational attainment at an individual level and are only beneficial to the LEP population in poverty if they have language access to the programs.
- Factor 4 – Resources Available and Cost to Recipient: Translation activities are an eligible CDBG administrative expense. Therefore, LAP measures are reasonable given the resources in the Lake County Urban County Entitlement Area as needed.

Based on these data and the State of Indiana determination that Lake County communities need to have a Language Access Plan, the Lake County Urban Entitlement Area meets the criteria of 1,000 or more people with Limited English Proficiency (LEP) that speak Spanish and needs a Language Access Plan (LAP). The Lake County Community Economic Development Department will make all reasonable attempts to accommodate language access needs of residents requesting translation.

The Lake County Community Economic Development Department, as recipient of federal funds for the Lake County Urban County Entitlement Area, has identified the following types of language access to be provided on an as needed basis by the Lake County Community Economic Development Department throughout implementation of HUD programs:

- Citizen participation documents, project-related resolutions, public notices, and amendments will be published in Spanish on bulletin boards at the city hall and in other public places throughout the proposed project area(s) and/or the community upon request.
- All published citizen participation advertisements will include a statement in Spanish indicating program materials are available in Spanish upon request.
- All citizen participation notices will include a statement in Spanish that Spanish translation services will be available at public meetings upon prior request.
- If needed, a translator may be retained to provide oral translation during implementation of activities.

Language to be used on all public notices by LCCEDD and participating communities:

English:

All program materials, notices, documents, resolutions, plans, and amendments are available upon request. Spanish translation services are available upon request for meetings and public hearings. Please contact the city/town/county at the address given in the notice.

Spanish:

Todos los materiales del programa, avisos, documentos, resoluciones, planes y modificaciones están disponibles bajo petición. Servicios de traducción en español están disponibles bajo petición para reuniones y audiencias públicas. Póngase en contacto con la Ciudad/Pueblo/Condado en la dirección que se encuentra en el aviso.

D. Recapture Policy

In accordance with HOME regulations, long term affordable housing through investment of HOME federal funds is enforced either by recapturing HOME funds to assist other buyers and or properties (recapture option) or by restricting the sale of Home-assisted properties to other low-income buyers (household income less than 80 percent area median income) (resale option).

LCCEDD uses the recapture option when a homebuyer receives a direct subsidy for the purchase of a home for down payment or closing cost assistance or when a unit is rehabilitated to HUD Standards. Under this option, the minimum period of affordability is based only on the amount of the direct subsidy.

The homeowner is at liberty to sell to any buyer, at any price the market will bear, but also must repay the direct subsidy HOME amount received when the unit was originally purchased. In the event the sale proceeds are insufficient to repay the entire HOME subsidy due, LCCEDD will share the net proceeds with the homeowner.

Net proceeds of a sale are the sales price minus the repayment of any non-HOME loan balance and seller's closing costs. The amount of HOME funds recaptured is determined by the percentage of Net proceeds proportionally based on the ratio of the HOME assistance to the sum of the home owner's investment (down payment, loan principal payments and documented capital improvements) plus the HOME assistance.

Once the HOME funds are repaid, the property is no longer subject to the HOME Program restrictions and the HOME liens placed on the property will be released.

At the time of sale, if the property increases in value, the HOME investment is repaid, and monies are used to fund new eligible HOME projects. If the property fails to appreciate by an amount sufficient to repay both the homeowner's investment and the HOME subsidy, the amount to be recaptured is proportionately reduced. If the net proceeds are less than or equal to zero, the amount to be recaptured will be zero and no additional assistance will be provided to the homeowner. The homeowner is encouraged to maintain the property in a manner that will sustain the original fair market value.

In the event of foreclosure, transfer in lieu of foreclosure or assignment of a FHA insured mortgage to HUD, and there are insufficient net proceeds to repay the HOME investment the affordability period is terminated and the property is no longer subject to HOME Program restrictions.

Recapture is only applicable in the case of rental housing during the affordability period. If, for any reason, the assisted rental housing units become unavailable to income qualified lower income households the entire HOME investment in those units is due and payable to the LCCEDD. This provision shall be included in all loan documents for rental units using HOME funds.

E. Minority Business Enterprise/Women's Business Enterprise (MBE/WBE) Participation

I. Sec. 01 LAKE COUNTY MBE AND WBE BUSINESSES

A Lake County MBE/WBE business:

- A. Is a MBE or WBE business certified by the State of Indiana's MWBE Division of the Department of Administration;
- B. Has an owner who has resided in Lake County, Indiana, or has had a place of business in Lake County, Indiana, for at least 2 years; and
- C. Maintains its State of Indiana MBE/WBE certification during the period it provides goods or services to Lake County, Indiana.

Documentation supporting subsection (B) shall be provided by the Lake County MBE/WBE business during the purchasing process.

II. Sec. 02 LOSS OF LAKE COUNTY MBE/WBE STATUS

A business that fails to maintain its status as a Lake County MBE/WBE shall notify the Lake County Commissioners within 5 business days after the occurrence of the event.

III. Sec. 03 UTILIZATION OF LAKE COUNTY MBE/WBE BUSINESSES

With respect to purchases made with state or federal funds requiring MBE/WBE participation solicitation pursuant to 40 CFR part 31.36, and with respect to contracts or subcontracts for construction, or purchases of commodities, supplies, technology, property, goods and services with County funds, the following affirmative steps shall be taken:

- A. Lake County MBE/WBE businesses will be solicited whenever they are potential sources;
- B. Total requirements shall be divided, when economically feasible and permitted by law, into smaller tasks or quantities to permit maximum participation by Lake County MBE and WBE businesses;
- C. Delivery schedules will be established, where the requirements permit, so as to encourage participation by Lake County MBE/WBE business;
- D. If the Lake County MBE/WBE is a prime contractor and is using any subcontractors, the Lake County MBE/WBE will be required to take the affirmative steps listed in divisions (A) through (C) of this section and shall provide documentation of the affirmative steps taken support its compliance.

IV. Sec. 04 VIOLATIONS: PENALTIES: SANCTIONS

Any firm, individual, partnership or corporation which knowingly or willfully provides false information as required under, or which fails to comply with, the provisions of this Ordinance shall be fined not less than \$1,000 for each violation for each day that the violation is permitted to continue past the five-working days' notification period. Any such firm, individual, partnership or corporation which is adjudged by a court of competent jurisdiction to have committed two violations of this chapter in any consecutive 24-month

period shall be prohibited from being awarded a contract or subcontract for any goods or service from the county for a period of 36 consecutive months of the second violation.

F. Risk Assessment Procedures

The following types of risks are evaluated:

- Financial risk: The extent to which the County funded programs are maintained and operated according to established standards.
- Management risk: The extent to which the funded partner has the capacity to carry out programs according to established requirements. Program staff turnover may be considered a management risk.
- Satisfaction risk: The extent to which clients express satisfaction or dissatisfaction with the delivery of program services.

Project Risk Determination

The monitoring risk assessment will use a criteria-point evaluation. The type of risk assessment will be determined by the level of staffing.

Criteria Points

Score/Max.

Financial

- Allocation in excess of \$10,000 _____ /5
 - Less than \$20K 1 point
 - \$20K – less than \$30K 2 points
 - \$30K – less than \$40K 3 points
 - \$40K – less than \$100K 4 points
 - Over \$100K 5 points

- Corrective Action Plan required in recent audit _____ /10
 - Audit Concern (written, per item) 1 point
 - Audit Finding (per item) 3 points
 - Loss due to theft 5 points

Management

- Agency has never received federal funds _____ /5

- History of difficulty in program administration _____ /7
 (i.e., untimely submission of invoices, quarterly reports, inaccuracies in reports, etc.)
 - Significant divergence from schedule 5 points
 - Untimely submission of invoices 6 points
 - History of inaccuracies in claims 7 points

Criteria Points**Score/Max.**

- Staff Turnover _____/5
 - Interim directorship 2 points
 - Frontline staff turnover 3 points
 - Grant admin turnover 4 points
 - Project head turnover 5 points

- Lack of progress in achieving stated outcomes _____/8
 - Resubmitted schedule due to delay 5 points
 - Significantly behind schedule 6 points
 - Insufficient results 7 points
 - Program challenges inadequately addressed 8 points

- The existence of Findings and/or Concerns from previous monitoring reviews _____/5
 - 1 or more concerns issued & adequately addressed & closed 1 point
 - 1 or more concerns issued & any remain outstanding 2 points
 - 1 or more findings issued & all adequately addressed & closed 4 points
 - 1 or more findings issued & any remain outstanding 5 points

Satisfaction

- Complaints received about the program _____/3
 - One verbal complaint 1 point
 - More than one verbal complaint 2 points
 - Any number of written complaint(s) 3 points

Monitoring Levels and Schedule

Every funded project will receive some level of monitoring over a timeframe spanning the pre-award phase to the long-term affordability period. The results of the risk assessment and the type of funded activity will determine the appropriate monitoring level required and the monitoring schedule to be enforced. In general, the following monitoring schedule will be followed based on the risk assessment point criteria:

<u>RISK LEVEL</u>	<u>MONITORING FREQUENCY</u>	<u>TOTAL POINTS</u>
High Risk	Monitoring yearly	31 to 44 points
Medium Risk	Monitoring every two years	16 to 30 points
Low Risk	Monitoring once every three years	1 to 15 points

G. Optional Temporary Relocation Assistance Program

The Lake County Community Economic Development Department can provide Optional Temporary Relocation Assistance to a homeowner who qualifies with the provisions below, in writing, for Temporary Relocation housing while rehabilitation work is commencing on their home.

- A. Temporary Relocation housing will be provided to qualified homeowners for up to \$100.00 per day per household based on documented costs for all occupants of the home, or unit, for no longer than necessary, due to construction activities on the home, for a reasonable time period to ensure return to a safe and habitable home. Documented Costs includes invoices, rental leases, and rental and lease receipts with dates of service and facility location.
- B. LCCEDD shall determine at the discretion of the Executive Director and/or the President of the Lake County Redevelopment Commission, in writing, that the rehabilitation work can or will pose significant health and/or safety concerns for the residents of the home while construction activities are commencing.
- C. The homeowner shall sign the LCCEDD determination that Temporary Relocation housing is needed and that the homeowner will only be reimbursed to the extent provided in Line 2 above.
- D. Temporary Relocation Assistance shall only be available rehabilitation projects using CDBG and/or HOME Program funds to homeowners with income level at or below 50% Average Median Income (AMI) in Lake County, Indiana.

H. Financial Policies

General

The purpose of the Financial Policies is to provide staff a process to efficiently execute the expenditure of federal funds and program income/local funds (PI) pursuant to the most current regulations applicable and to follow the County purchasing regulations. Currently, federal funds must be expended within fifteen (15) calendar days from receipt by wire transfer from the US Treasury to the County Treasurer and drawn for eligible expenses that have been incurred. Program income/local funds (PI) is required to be documented into the correct county fund and the federal Integrated Disbursement and Information System (IDIS) then expended prior to expending federal funds from grants to the department.

A. Physical Bank Accounts

Most federal funds are maintained in the County's physical bank accounts. The Department maintains two separate physical bank accounts for Homebuyer Assistance and Homeless Prevention.

B. Budgeting / Purchase Orders

The Department's budget for its HOME, CDBG, and related funds is subject to the Annual Action Plan process outlined at 24 CFR Part 91 and the corresponding Citizen Participation Plan. The Department must submit its approved budget as part of its Annual Action Plan to HUD by **August 16**, which is 45 days before the start of the HUD Program year (**October 1**). Once the budget and Annual Action Plan is approved, the Department may enter into agreements and contracts to carry out its proposed projects.

- To record funding agreements in Oracle, program staff will submit a request to create a purchase order to the Fiscal Manager.
- The Executive Director reviews, approves, and signs all purchase orders.
- Fiscal Manager and/or Bookkeeper creates the purchase orders in Oracle.
- Deputy Director commits HUD funding to activities in HUD's IDIS Online grant system.

Pay Requests - Homeless Prevention

Payment requests for homeless prevention follows an alternate process that allows the County to cut checks in a more expedient manner. Funds for Homeless Prevention are maintained in a separate physical bank account held at Centier.

- Deputy Director reviews application and approves applicant for Homeless Prevention based on eligibility rules and availability of funds.
- Executive Director reviews and approves application and completed the HOMELESS PREVENTION REQUEST FOR CHECK.
- Fiscal Manager reviews request, checks available balance, cuts check from Centier Homeless Prevention account, signs check, and provides check to Executive Director for signature.
- Signed check then given to Deputy Director who remits payment to landlord/property manager.
- When bank balance gets low, Fiscal Manager creates PO with supporting documents
- Fiscal Manager creates drawdown to reimburse payments.
- Executive Director or Deputy Director reviews drawdown request and approves if correct.
- Auditors then cut a check for deposit from the County checking account into Centier.
- Director deposits the county check into the Homeless Prevention checking account.

Pay Requests - Homebuyer

Payment requests for homebuyer assistance follows an alternate process that allows the County to cut checks in a more expedient manner. Funds for Homebuyer Assistance are maintained in a separate physical bank account held at Centier.

- Fiscal Manager creates a Homebuyer Purchase Order anticipating the next month's volume of homebuyer clients with input from the Rehab Specialist.
- Rehab Specialist receives and reviews applications and approves applicants for Homebuyer Assistance.
- Executive Director reviews and approves application.
- Rehab Specialist orders Home Inspection by Monitor/Inspector.

- Once the home receives an approved home inspection, Rehab Specialist notifies Fiscal Manager.

Fiscal Manager then process a draw of funds to be deposited in the County bank via wire transfer.

- Executive Director or Deputy Director reviews drawdown request and approves if correct.

Funds are wire-transferred to the County checking account.

- Fiscal Manager then requests a check from the County Auditor to be deposited into the Centier Homebuyer Bank Account for the amount of the wire transfer.

- Executive Director or another employee deposits the county check into the Homebuyer checking account and returns the deposit slip to the Fiscal Manager.

- The Fiscal manager then provides to the Rehab Officer a check from the Homebuyer account either the day before or day of the closing for the Title Company.

Program Income/Local Funds (PI)

Program Income/Local Funds reporting and expenditure process is as follows:

- All incoming checks into the department are first reviewed by the Deputy Director. The Deputy Director determines the source of income (i.e. CDBG, HOME, NSP) and the correct receipt type (program income, repayment, homebuyer). The Deputy Director records the IDIS number of the project on the check before giving it to the Fiscal Officer.
- The Fiscal Officer records the receipt on an internal schedule of receipts and submits the check to the County Auditor with the check deposit form with the IDIS number and correct fund and account number for deposit.
- Once the County Auditor posts the receipt to the County's general ledger, the Fiscal Officer records the Auditor's receipt into HUD's IDIS Online reporting system.
- At the close of each quarter, the Fiscal Officer will prepare and submit the Cash on Hand Report within thirty days of the close of the quarter. The Fiscal Officer will reconcile all expenses and receipts posted in the County's general ledger system with the receipts (report PR09) and drawdown requests (report PR07) in HUD's IDIS Online reporting system. Before submitting the Cash on Hand Report in the IDIS Online system, the Deputy Director will review and approve the prepared reconciliation and Cash on Hand Report. Any discrepancies between the two systems will be reported to the Auditor and the Department Director to determine corrective actions.
- Within 30 days of the close of each calendar quarter, the Fiscal Officer will submit the Cash on Hand Report via IDIS Online. The Fiscal Officer will maintain a copy of the Cash on Hand report and the corresponding reconciliation in their program files.
- On an on-going basis, the Director will meet with Department staff to determine if training or technical assistance is needed to complete HUD reporting requirements in a timely and accurate manner.

Drawdowns

- Once an expense is approved by the Commissioners, the Fiscal Manager will create a drawdown voucher in IDIS to reflect the expense. If local funds are available (i.e. program income or repayment), the drawdown voucher should be paid from local funds until all of the

local funds are exhausted.

- The Executive Director and/or Deputy Director will review the IDIS voucher and the supporting documentation for accuracy. If correct, the voucher will be approved in IDIS Online. Once the voucher is approved, HUD will wire transfer any Treasury funds in 2 to 3 business days (program income and other local funds should already be in the local bank accounts).
- Auditor will cut checks once the deposit is posted.
- The Fiscal Manager maintains records of all drawdowns and supporting documentation.

Audits

Audits of the County's federal funding sources is handled by the Lake County Auditor. The Community Economic Development Department provides supporting documentation and assistance in relation to its federal funds.

I. Reporting Policies

NSP Quarterly Reports

To be followed until the HUD field office indicates QPR reports are no longer needed due to grant closeout:

1. Before the close of each month, the Fiscal Officer will create receipts and draws as needed in HUD's DRGR system to reflect funds received or expended by the County.
2. At the close of each quarter, the Fiscal Officer will prepare and submit the quarterly report in DRGR for the NSP1 and NSP3 grant allocation. To prepare the report, the Fiscal Officer will reconcile all expenses and receipts posted in the County's general ledger system for the NSP programs with the receipts and drawdown requests recorded in HUD's DRGR reporting system.
3. Before submitting the NSP QPR Report in the DRGR system, the Deputy Director will review and approve the prepared reconciliation and QPR Report. Any discrepancies between the two systems will be reported to the Auditor and the Department Director to determine corrective actions.
4. Within 30 days of the close of each calendar quarter, the Fiscal Officer will submit the NSP QPR Report via DRGR. The Fiscal Officer will maintain a copy of the NSP QPR and the corresponding reconciliation in their program files.

Cash on Hand Reports

1. At the close of each quarter, the Fiscal Officer will prepare and submit the Cash on Hand Report within thirty days of the close of the quarter. The Fiscal Officer will reconcile all expenses and receipts posted in the County's general ledger system with the receipts (report PR09) and drawdown requests (report PR07) in HUD's IDIS Online reporting system.

2. Before submitting the Cash on Hand Report in the IDIS Online system, the Deputy Director will review and approve the prepared reconciliation and Cash on Hand Report. Any discrepancies between the two systems will be reported to the Auditor and the Department Director to determine corrective actions.
3. Within 30 days of the close of each calendar quarter, the Fiscal Officer will submit the Cash on Hand Report via IDIS Online. The Fiscal Officer will maintain a copy of the Cash on Hand report and the corresponding reconciliation in their program files.

Section 3 Reporting

1. As part of the application review, the Deputy Director will determine the applicability of the Section 3 requirements for each proposed project.
2. For projects where Section 3 is applicable, the Deputy Director will ensure that staff administering the project are familiar with the Section 3 requirements and understand the forms and reporting required to properly report Section 3, including the determination of total labor hours worked, labor hours worked by Section 3 and Targeted Section 3 workers, and corresponding certifications.
3. The County will collect Section 3 reports from subrecipients administering projects throughout the period of performance. If the project meets Section 3 benchmarks, the County will consider the activity to be in full compliance with Section 3. If the project does not meet one of the Section 3 benchmarks, the County will require reporting on the qualitative efforts that the subrecipient made to try to reach the benchmarks.
4. Section 3 information collected for each project will be reported in IDIS Online. The Section 3 information must be reported annually before the submission of the annual report (CAPER) to HUD.

FFATA Reporting

The Federal Funding Accountability and Transparency Act (FFATA) reporting is through the FFATA Subaward Reporting System (FSRS). All department sub-recipients (social service agencies) including the CDBG partner communities with awards of over \$30,000.00 in any grant cycle shall be reported in the FSRS System. The process will include review of all sub-recipient agreements by the Deputy Director who will provide to the Fiscal Officer a copy of the approved and signed agreements. The Fiscal Officer will work with the Bookkeeper to record the agreements into the FFATA Subaward Reporting System (FSRS).