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MEMORANDUM OF UNDERSTANDING REGARDING USE OF CITY OF EAST PALO ALTO FUNDS FOR MINOR HOME REPAIR PROGRAM ADMINISTERED BY SAN MATEO COUNTY'S DEPARTMENT OF HOUSING

This Memorandum of Understanding Regarding Use Of City Of East Palo Alto Funds For Minor Home Repair Program Administered By San Mateo County's Department Of Housing ("MOU") is entered into on the latter of the dates signed by the Parties below (the "Effective Date"), by and between the City of East Palo Alto ("**City**") and the County of San Mateo ("**County**") (each a "**Party**" and collectively the "**Parties**"), with respect to the following facts:

A. WHEREAS, the City has allocated funds to contribute to financing minor home repairs ("MHR Program") on properties in the City to assist with preserving affordable housing;

B. WHEREAS, the purpose of the MHR Program is to fund minor repairs on single family homes with owners who meet specific income restrictions ("**Projects"**);

C. WHEREAS, the City recognizes that staff of the County's Department of Housing has expertise in managing nonprofit operators of minor home repair programs across the County, including in the City;

D. WHEREAS, to increase administrative efficiency and reduce duplication of effort, the City wishes to enter into this MOU to transfer City funds for the MHR Program to the County to be administered by the County for the City in accordance with the terms of this MOU;

E. WHEREAS, the Parties agree that execution and approval of this MOU serves an administrative purpose and is not a "project" under the California Environmental Quality Act; and

F. NOW THEREFORE, based on the recitals set forth above, the Parties hereto agree as follows:

TERMS

I. Incorporation of Recitals: The foregoing Recitals are incorporated herein.

II. Roles and Responsibilities of the Parties

A. City's Role: The City will transfer funding in the amount and as set forth in Section II(C) to the County for the term of July 1, 2026 through June 30, 2027 (the "MHR Program Term"), for the County to administer on behalf of the City in accordance with this MOU. The MHR Program Term may be extended administratively by written notice of the City Manager (or designee) to County for an additional term of no more than one year, at least 30 days prior to the expiration of the initial MHR Program Term.

B. County's Role: Subject to the County's receipt of funding from the City in accordance with Section II(C), the County will, through its Department of Housing: (i) administer a competitive solicitation process to select a nonprofit organization to operate the MHR

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Program; (ii) manage the selected operator for the MHR Program for the MHR Program Term including tracking and reporting progress towards achieving the programmatic goals set forth in Section III of this MOU on a quarterly basis; (iii) review and process reimbursement requests from selected operator; and (iv) monitor the operator's compliance with the City's MHR Program Requirements.

C. Funding Transfer: The City will transfer $125,000, via check or wire transfer, to the County, within 60 days of the Effective Date of this MOU. The Parties understand and agree that the County shall retain $18,750 of said funding as a fixed fee to cover the County's costs of administering the MHR Program.

III. City MHR Program Requirements

The County will administer the MHR Program according to the County's Minor Home Repair Guidelines, which are attached to this MOU as Appendix A, and the following City MHR Program Requirements. In the event of a conflict between the County's Minor Home Repair Guidelines and the City's MHR Program Requirements, the below MHR Program Requirements shall control.

A. MHR Program Performance Metrics

1. Performance Metric: A minimum of five (5) and up to twelve (12) households will be served during the MHR Program Term.

B. Individual MHR Project Eligibility Criteria

1. Housing Unit Type.
    a) Owner-occupied homes owned and resided by low-income seniors (62+)

2. Household Income Restrictions. The household income for the owner of the home assisted by the MHR Program shall be low-income as defined by California Health & Safety Code § 50079.5, or a lesser income level. For avoidance of doubt, in no event shall household income of an assisted owner exceed 80% of the area median income.
    a) BMR Households. Senior households that meet the MHR Program low-income requirements and own a home under the East Palo Alto Below Market Rate Housing Program (BMR) may be eligible for MHR Program repairs only if the repairs meet program guidelines, the written request by the homeowner is approved by the City Manager (or designee), and the requested scope of work is in compliance with all agreements and restrictions, including without limitation, their Resale Restriction Agreement and Option to Purchase. If repairs cause or have a tendency to cause an increase in the resale price of the home, the homeowner must sign an updated Resale Restriction Agreement and Option to Purchase with updated terms as required by City. The County will notify the City of any low-income senior homeowner(s) of a BMR unit in East Palo Alto that apply for the MHR Program, and provide their contact information, scope of work and cost to the City for the City to confirm compliance (or not) with City agreements, restrictions and requirements. The City will be solely responsible for determining whether a BMR homeowner is authorized to proceed and

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notifying the County of such determination with sufficient time that the proposed scope of work can reasonably be completed within the contract period.

3. Location. To be eligible, the housing unit must be located within and the owner must reside in East Palo Alto. Senior owners will be prioritized.

4. Eligible Repair Types. All improvements mentioned in the County Minor Home Repair Guidelines listed in Appendix A are eligible, with the following Projects prioritized:
    a) Improvements to address code violations;
    b) Improvements to address habitability, health and safety, including but not limited to ADA accessibility (e.g. ramps, shower bars, etc.);
    c) Electrical system repairs/replacement;
    d) Roof repair/replacement;
    e) Plumbing repairs/replacement;
    f) Window repair/replacement;
    g) Water heater repair/replacement;
    h) Room additions (in situations of overcrowding);
    i) Lead-based paint remediation (lead testing required);
    j) Flood mitigation for floodplain households (e.g. ductwork repairs/replacement, asphalt repair/replacement, elevating structures);
    k) Hazardous landscaping repair, including hazardous trees/vegetation (excluding rain gardens); and
    l) Heating, ventilation, and air conditioning (HVAC).

5. Eligible Expenses. The following Project expenses are eligible to be reimbursed with MHR Program funds:
    a) Construction costs and construction materials costs incurred by the MHR Program operator or through construction contracts with a third-party general contractor(s) or subcontractor(s) that are reasonable and necessary for the construction of eligible repairs at the home or rental unit; and
    b) All governmental fees (including fees for testing and permits) paid for development, design, or construction of eligible repairs; and
    c) Reasonable administrative costs (not to exceed 15% of the MHR Program operator's modified total direct costs) to cover the MHR Program operator's overhead expenses; and
    d) Reasonable community outreach costs to ensure sufficient awareness and utilization of the MHR Program; and
    e) Reasonable transportation costs for MHR Program operator staff to travel to and inspect project locations; and
    f) Other reasonable repair-related costs as approved by the County in its reasonable discretion

6. Ineligible Expenses. The following Project expenses are not eligible to be reimbursed with City MHR Program funds:
    a) Meals and beverages for MHR Program operator staff and/or volunteers

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working on an MHR Program repair project

7. Individual Project Size Limit. No more than $16,000 shall be invested in the repairs of a single home and/or rental unit.

8. NEPA/Environmental Review. NEPA/Environmental reviews will not be required.

9. Refund of City Contribution: Any balance of transferred City MHR Program funds remaining after completion of the MHR Program Term, or if the MHR Program does not proceed for any reason, less any amounts necessary to pay for eligible expenses rendered prior to the date of completion of the MHR Program or determination that the approved MHR Program will not proceed, and less the County's fee of $18,750, shall be refunded by the County to the City within ninety (90) calendar days after completion of the MHR Program Term or the County's receipt of written notice of a determination by the City that the approved MHR Program will not proceed.

10. MHR Program Priorities. Funding shall be prioritized for eligible projects that feature: 1) homes located in Low Resource/High Segregation & Poverty Areas, as defined by State HCD's Opportunity Area Maps, that are at greatest risk of displacement; 2) persons living with a disability and/or an older adult (62+) households; or 3) projects in which homeowners are encouraged to access energy assessments, programs and rebates. The County shall not administer the City's MHR Program pursuant to this MOU in a manner that will deny East Palo Alto residents from receiving County CDBG funds for minor home repairs on an equal footing with other program participants.

C. MHR Program Operator Requirements

Prior to distribution of MHR Program funds from the County to a MHR Program operator, the MHR Program operator shall be required to:

1. Enter into the required contract documents with the County (the "County Grant Agreement").

2. Confirm good standing under SAM.gov.

3. Reporting and Monitoring Requirements: The MHR Program operator must agree to submit and confirm the accuracy of quarterly reports to SM County and agree to which will provide the following data:

   - Confirm that MHR Program Requirements were met;
   - Confirm that income levels of the owners were verified by the MHR Program Operator;
   - Project location, services and household demographic data;
   - Narrative description of progress, any obstacles and/or case studies.

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IV. General Provisions

A. Term: The term of this MOU shall be from the Effective Date for a period of two years. A Party may terminate this Agreement for convenience, with or without cause, upon one thirty (30) days' written notice to the other Party. Upon termination of this MOU, the Parties shall negotiate a process and schedule for winding down the County's financial administration, monitoring and other responsibilities under this MOU including a process for refunding of any MHR Program funds for any projects that have not entered into contract as of the date of the written notice.

B. Dispute Resolution: If a question arises regarding interpretation of this MOU or its performance, or the alleged failure of a Party to perform, the Party raising the question or making the allegation shall give written notice thereof to the other Party. The Parties shall promptly meet in an effort to resolve the issues raised. If the Parties fail to resolve the issues raised, alternative forms of dispute resolution, including mediation, may be pursued by mutual agreement. It is the intent of the Parties to the extent possible that litigation be avoided as a method of dispute resolution.

C. Amendment: This MOU may only be modified by a written amendment duly executed by the Parties. This MOU shall be binding on all successors and assigns of the Parties.

D. Assignment: No assignment of this MOU shall be valid without the prior written consent of the other Party.

E. Indemnification: Pursuant to Government Code Section 895.4, each Party agrees to fully indemnify, defend, and hold the other Party (including its appointed and elected officials, officers, employees, and agents) harmless and free from any damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions of the indemnifying Party, its appointed or elected officials, officers, employees, or agents, under or in connection with any activities undertaken in connection with this MOU. No Party, nor any appointed or elected official, officer, employee, or agent thereof, shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of any other Party, its appointed or elected officials, officers, employees, or agents, under or in connection, with any activities undertaken in connection with this MOU.

F. No Waiver: The Parties' waiver of any term, condition or covenant, or breach of any term, condition, or covenant shall not be construed as a waiver of any other term, condition or covenant or breach of any other term, condition or covenant.

G. Entirety of MOU: This MOU is the entire agreement between the Parties relating to the use of the MHR Program funds. Any prior agreements, promises, negotiations, or representation not expressly set forth in this MOU are of no force or effect.

H. Warranty of Authority to Execute MOU: Each Party to this MOU represents and warrants that each person whose signature appears hereon has been duly authorized and has the full

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authority to execute this MOU on behalf of the entity that is a Party to this MOU.

I. Severability: If any term, covenant, condition or provision of this MOU, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions, and provisions of this MOU, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

J. Governing Law: This MOU shall be construed and its performance enforced under California law.

K. Venue: In the event that suit shall be brought by either Party to this MOU, the Parties agree that venue shall be exclusively vested in the State courts of the County of San Mateo, and, if federal jurisdiction is appropriate exclusively in the United States District Court for the Northern District of California.

L. Audit and Record Retention: The City may audit the expenses incurred in the performance of this MOU. The County shall retain all records related to this MOU and MHR Program funded projects for five (5) years after the termination of this MOU. During this period, the County agrees to make these records available within a reasonable time for inspection upon reasonable request and written notice by the City.

M. Notice: Any notice required to be given by either Party, or which either Party may wish to give, shall be in writing and served either by personal delivery or sent by certified or registered mail, postage prepaid, addressed as follows:

To the County: San Mateo County, Department of Housing
264 Harbor Blvd, Building A
Belmont, CA 94002
Attention: Director of Housing

To the City: City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303
Attention: Community and Economic Development Director

Notice shall be deemed effective on the date personally delivered or, if mailed, five (5) days after deposit in the United States mail.

N. Contract Execution: The Parties agree that an electronic copy of a signed contract, or an electronically signed contract, has the same force and legal effect as a contract executed with an original ink signature. The Parties therefore wish to permit this MOU and future documents relating to this MOU to be digitally signed in accordance with California law and County's Electronic Signature Administrative Memo. Any Party that agrees to allow digital signature of this MOU may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this MOU.

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IN WITNESS WHEREOF, the Parties have executed this MOU as set forth below.

THE CITY OF EAST PALO ALTO

By: DocuSigned by: Melvin Gaines 4A361DD749224BE... Date: 2/13/2026

THE COUNTY OF SAN MATEO

By: San Mateo County Department of Housing

By:_____ Date:_____
Raymond J. Hodges, Director

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APPENDIX A: San Mateo County Minor Home Repair Program Guidelines

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DEPARTMENT OF HOUSING
COUNTY OF SAN MATEO

County of San Mateo
Department of Housing

Minor Home Repair Guidelines*

These guidelines were drafted by the County of San Mateo but will be adopted across the cities of San Mateo County with a disclaimer in the document.

*Minor home repair includes housing accessibility modification programs

COUNTY OF SAN MATEO

CITY OF SAN MATEO CALIFORNIA

DALY CITY CALIFORNIA GATEWAY TO THE PENINSULA

CITY OF SOUTH SAN FRANCISCO CALIFORNIA

Redwood City California Founded 1867

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Disclaimer: This document is one tool, out of several, to be used by CDBG Funding Recipients (also known as Subrecipients) and each jurisdiction for the implementation of minor home repair programs. While this tool offers new valuable guidance, is not a substitute for federal regulations or each local jurisdiction's contract. Funding Recipients are encouraged to review each contract from each jurisdiction for clear and decisive direction and expectations before moving forward with any minor home repair project.

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San Mateo County – Minor Home Repair Program Description/Guide

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Purpose:

The core principles of HUD's CDBG program are: local decision-making flexible use of funds for local needs, citizen participation, leveraging investments through partnerships, and strategic targeting of funds in the areas of community needs. These principles essentially require that each grantee jurisdiction's elected representatives determine local use of CDBG funds within the HUD regulations. Program specifics within HUD regulations, where flexible, can and will vary across jurisdictions, even in similar minor home repair programs. This is a feature of the CDBG program that enables community members and elected officials to direct their own programs.

The County, via its Community Development Block Grant (CDBG), funds various Funding Recipients with CDBG funding for minor home repair programs. This program document contains information and guidance on eligible repairs and processes that must be followed by all minor home repair programs funded by the County to assist low to moderate income homeowners with repairs. This program is a

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grant program and does not require clients to place loans on the property after completion. Repairs to owner occupied homes generally should not exceed $5,000 per unit. Exceptions can be by County staff made on a case-by-case basis, or as part of the annual NOFA process.

The program is funded by CDBG funds. The housing grants are used to complete minor repairs and housing modifications, which are funded through the County's annual CDBG formula grant. The housing rehabilitation programs are administered by the County's Housing and Community Development Division with the Department of Housing. Each organization operating a minor home repair program will be assigned an HCD Specialist to oversee compliance with federal regulations.

Due to regulations, the minor home repair program does not lend itself to emergency repairs. Funding Recipients should be aware environmental review processes takes time for HCD staff to complete and should plan ahead for the following timelines:

- Smaller repairs, such as those that fall under maintenance may take 5-7 days to complete an environmental review.
- Standard repairs and rehabilitation may take 45-60 days to complete an environmental review.

Eligible Applicants: (24 CFR 570.202 (a) (1))

Eligible applicants must meet the following criteria to be considered for the minor home repair program.

- Must be a homeowner or renter of a property in San Mateo County.
    - Renters are only eligible for accessibility, or accommodations such as wheelchair ramp and/ or grab bars installation and must be wheelchair bound. Installation is also contingent on landlord's approval. Exceptions may be granted on a case-by-case basis.
- Household cannot have an income greater than 80% of the area median income.
- A housing unit may be a manufactured home, as defined by HUD, under HUD Code 24 CFR Part 3280, which are federal standards for the design and construction of manufactured homes to assure quality, durability, safety, and affordability. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported to their site in one or more sections, each section on a permanent chassis. ***Each manufactured home displays a certification label on the exterior of each transportable section indicating the manufacturer's certification of compliance with the HUD Code***. After the certification label is permanently affixed to each section of the home, the section(s) is then ready for transport to an individual home site. At the home site, the home sections are assembled and installed on a foundation and anchoring system which may include pier supports, anchorage to a concrete slab, or placement on another type of permanent foundation. Part of the final assembly or placement process includes connecting the housing unit to the required utilities. <u>To be eligible for CDBG funding, manufactured housing must be part of the community's permanent housing stock</u>.

Ineligible applicants (25 CFR 570.202 (a) (5)

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- Mobile Homes.
- Tiny Homes not affixed to a permanent foundation
- Accessory Dwelling Units (ADUs), unless rented to a tenant needing accessibility modifications

Targeting: (San Mateo County Requirement, not applicable to other jurisdictions)

The County, as part of its Housing Element, reserves the right to use CDBG funds to prioritize minor home repair dollars in homes located in Low Resource/ High Segregation & Poverty Areas, as defined by State HCD's Opportunity Area Maps, that are at greatest risk of displacement. Over the next eight years FYs 23-31), DOH's definition of Low Resource/ High Segregation & Poverty Areas may change but such change will be informed by State HCD's guidance. The County may also use other relevant metrics to identify low-income communities that are at greatest risk for displacement.

Target funding minor home repair and modification programs to:

- persons living with a disability and/or older adult households: Approximately 45% of all unit modifications (or around 25 units) under a minor home repair program will be for residences of disabled or older adult (62+) households.
- homes located in areas with greatest risk of displacement for low-income residents, which are those located in Low Resource/ High Segregation & Poverty Areas, as defined by State HCD's Opportunity Area Maps.[1]
- Encourage single-family property owners to access energy assessments, programs and rebates.

[1] The map is updated on an annual basis and can be found at: https://belonging.berkeley.edu/final-2024-ctcac-hcd-opportunity-map

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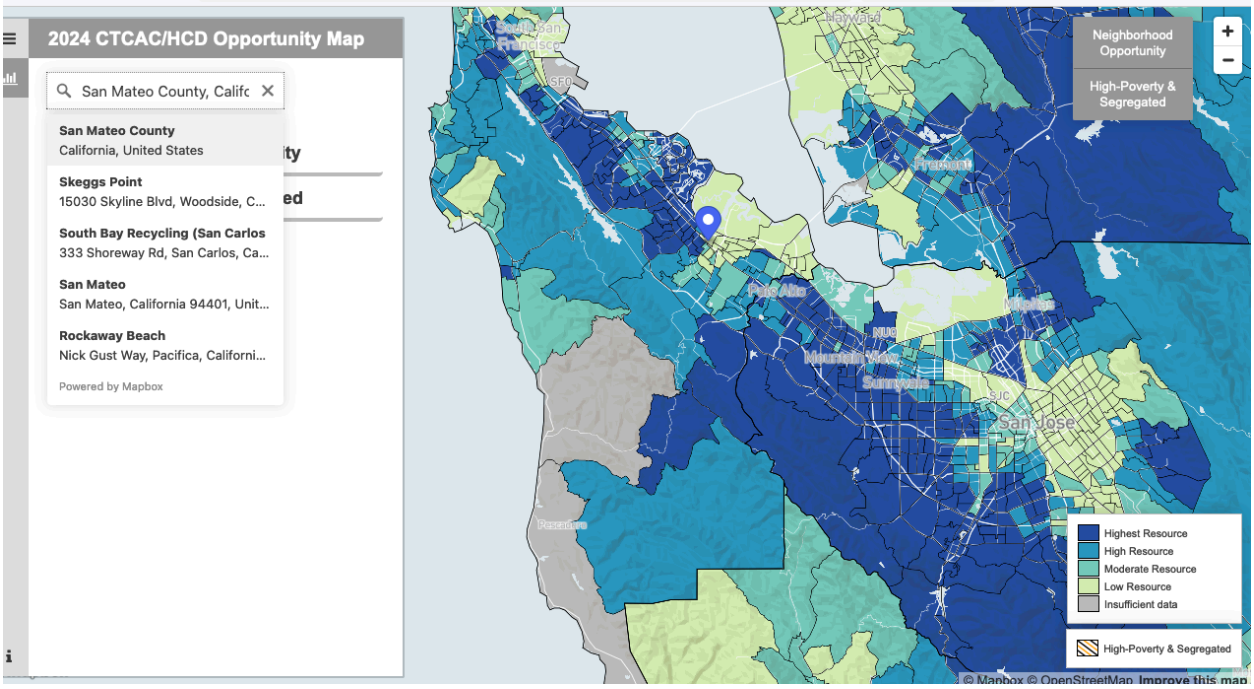

Figure 1 - Map from State HCD's Opportunity Areas

***NOTE:** This section is only applicable and specific to San Mateo County funding contracts.*

Return Homeowners (San Mateo County Requirement)

A property owner may receive assistance multiple times within five years of the first year of assistance; however, the total assistance is not to exceed $20,000. Exceptions may be granted on a case-by-case basis, especially when considering an emergency repair item.

HCD Staff will track the addresses and properties receiving assistance as part of the DOH internal process to verify the amount of assistance per property.

Income Calculations: (24 CFR 570.208 (a))

Eligible applicants must be considered low to moderate income and have a gross household income that is at or below 80% of Area Median Income (AMI) for their household size, as defined by the U.S. Department of Housing and Urban Development (HUD). Funding recipients must follow the 2 CFR Part 5 Definition for an income calculation. One hundred percent of households receiving minor home repair assistance must meet the income qualifications of at or below 80% AMI.

Eligibility screening is conducted upon receipt of a completed application by the program organization. The supporting homeowner eligibility documents are kept in project files and maintained according to the County's retention policy. The eligibility screening, or the income calculation must be included in every client file. Funding recipients may utilize the HUD income calculator, the income calculation spreadsheet provided by the DOH or other grantee jurisdiction, or another document of its own creation, as long as the document created by the Funding Recipient meets the requirements set by HUD and DOH/grantee

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jurisdiction. All income calculations must be signed by the household seeking assistance through the minor home repair program as well as by the appropriate funding recipient staff member.

Income documentation must not be older than 12 months of date of the provision of the services. Income calculations utilize the documents provided by the applicant to determine the eligibility under the CDBG program. Proof of income is required with the application to validate income for all persons 18 years of age and older in the household (this includes working dependents/ adult children). Acceptable documents for proof of income can be any of the following:

Income documentation must not be older than 12 months of date of the provision of the services.

- Copy of any government benefit statement, such as Social Security
- Copy of 2 months of most recent paystubs
- Copy of most recent W-2
- Copy of most recent tax return (no more than 12 months old)
- Copy of most recent statements from any asset* accounts, bank, retirement, etc. (2 months' worth)
- Copy of any regular payments received, such as alimony (2 months' worth)
- Copy of reports for any net income for self-employment, including gig economy work such as Etsy, Uber, etc.
- Copy of any unemployment compensation
- Copy of letters from relatives or friends who do not reside in the unit and who provide regular and re-occurring gifts of support
- Copy of any workers compensation or disability pay

*Assets to be included in the income calculation include: Checking, Savings, Mutual funds, Money Market Acct. Equity in Rental Property, Retirement and Pensions, 401(K), Stocks, Bonds, Treasury Bills, Certificate of Deposit, Annuities, Revocable Trust, Mortgages or Deed of Trust, Whole Life Insurance policy, Lump sum- inheritance, Lottery Winnings, Insurance Settlements, Personal property held as an investment (e.g., antiques, gems, etc.) Applicants must provide documentation of any of these types of accounts or holdings.

For households who have been on a waiting list by an organization, the income calculation must be updated at the time the home repair services will be provided.

Eligible Improvements: (24 CFR 570.202 (b))

Table 1 is a list of the types of improvements and costs that are eligible or ineligible under this program. CDBG-assisted rehabilitation does not include the construction of a secondary housing unit attached to a primary unit; the installation of luxury items such as a swimming pool or granite countertops; the costs of equipment, furnishings or other personal property is not an integral structural fixture, such as a

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window air conditioner (although a stove or refrigerator is allowed); and labor costs for homeowners to rehabilitate their own property.

While HUD does not have a specific definition of luxury items, for the purpose of the program DOH will define luxury items as items are not necessary to the home, but it is deemed highly desirable by a reasonable person within the community. If there are questions as to whether an item or rehabilitation involves a luxury item, Funding Recipients should consult with their HCD Specialist.

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Table 1 - Eligible and Ineligible Costs

Eligible Improvements	Ineligible Improvements
Structural repairs	New Sunrooms/patios
Weather proofing	Luxury fixtures
Roof repair/replacement	Skylights/sky tubes
Siding/Stucco repair/replacement	Custom/luxury window/door trim
Electrical system repairs/replacement	Solar Panels
Plumbing repairs/replacement	Furniture
HVAC repairs/replacement	Non-essential appliances
Ductwork repairs/replacement	Luxury/industrial/professional appliances
Kitchen rehabilitation, including food safe surfaces, accessible cabinets, resilient flooring, built-in appliances (refrigerator, stove, hood vent, dishwasher, installed microwave, or microwave/hood vent combination unit), and fixtures	Custom/Luxury finishes, such as imported stone countertops, industrial fixtures/finishes, and custom or luxury wall finishes
Bathroom rehabilitation, including resilient flooring, low-flow shower/bath plumbing, shower/bath replacement, grab bar installation, vanity and sink repair/replacement, and low-flow handicapped accessible toilets	Equipment that does not require permanent installation such as TVs, cable boxes, internet routers, stereo equipment, computer equipment including monitors
Fireplace repair (for code violations)	New fireplaces
Interior and exterior paint	Custom/luxury interior/exterior paint
Lead based paint remediation	Countertop appliances
New resilient flooring	Luxury/custom flooring
Accessibility improvements, including ramps, widening doorways, and kitchen and bathroom accessibility, and security lighting	General landscaping (for non-hazardous situations)
Water heater repair/replacement	New de-attached sheds, garages, and other structures
Hazardous landscaping repair, including obstructed or uneven path of travel, damaged fences, and hazardous trees/vegetation and must be incidental to the repairs of the home (**NOTE:** this is an emergency repair, which is not eligible in San Mateo County)	Non-residential hardscape
Window repair/replacement	Food for Volunteers or Staff
Chimney repair	
Room additions (in situations of overcrowding)	
Patio roof repair/replacement	

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Scope of Work/Specifications (2 CFR Part 200.319 and 2 CFR Part 200.404)

Funding recipients need to provide a detailed scope of work and estimated budget for each repair. The scope of work and budget is used to determine compliance for each related law under for the environmental review for each address. Funding recipients should provide as much detail as possible for the scope of work. The scope of work and specifications may be prepared using any industry accepted automated specification writing system in a commonly accepted format, e.g.; room by room, by construction trade, etc. Specifications must be clearly written and prepared with sufficient detail to direct a contractor.

The scope of work should include:

- Item to be addressed
- Commonly accepted dimensions (i.e. square feet, linear feet, each, lump sum, etc.)
- Estimated amount of ground disturbance – if applicable
- Estimated repair cost per budget line item
- Any mitigation efforts that will be completed to address an environmental impact under the environmental review regulations or NEPA
- Indication of if any building permit is required

The scope of work should not include:

- Brand names. Scope of work may use the phrase “brand name or equivalent”
    - correct example – replace 3 double hung windows with Pella Wood Casing windows or equivalent

Appendix A includes a copy of a sample scope of work that can be utilized by minor home repair providers to develop a scope of work that is clear and helps determine the compliance with environmental review regulations and lead based paint regulations.

Maintenance vs Rehabilitation (CPD Notice 16-02)

An appendix to this document is the Community Planning and Development (CPD) Notice 16-02. This notice describes the difference between maintenance level projects and rehabilitation projects. This notice is helpful in determining the level of review for each address assisted.

In general, ***maintenance activities*** slow or halt deterioration of a building and do not materially add to its value or adapt it to new uses. Sometimes, maintenance of a building feature or system requires periodic replacement of individual component parts that are subject to normal wear and tear. General examples of maintenance activities for environmental review purposes:

1. Cleaning activities;

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2. Protective or preventative measures to keep a building, its systems, and its grounds in working order;
3. Replacement of appliances that are not permanently affixed to the building;
4. Periodic replacement of a limited number of component parts of a building feature or system that are subject to normal wear and tear;
5. Replacement of a damaged or malfunctioning component part of a building feature or system. (Replacement of all or most parts or an entire system is not maintenance.)

If items that would otherwise be considered maintenance are done as part of an extensive remodeling or rehabilitation of a building that amounts to rehabilitation, the entire job is considered rehabilitation.

Funding Recipients may choose to offer a maintenance level of assistance to clients as part of its program. This option is allowable if 100% of the repair assistance under this category fall under this level of assistance.

DOH Staff will make the determination based on the scope of work if the project is a maintenance or rehabilitation.

When a DOH makes a determination that project activities are rehabilitation and therefore require compliance with related environmental laws and authorities under the environmental review regulations, the scope of the work may still be minor and have limited impact on the environment.

Appendix B to this document is a chart from CPD Notice 16-02 with various types of maintenance activities and rehabilitation activities. This document should be used as a tool for determination what constitutes a maintenance activity versus a rehabilitation activity, however, it's not a comprehensive list. If the Funding Recipient staff have questions, they should reach out to the County's HCD Specialist. HCD Specialists may need to consult with HUD for clarification.

Change Orders (2 CFR Part 200.319)

San Mateo County must approve all change orders. ***Any change order not approved by the County can put the funding or reimbursement to the Funding Recipient at-risk***. HCD Specialists must review any changes to determine if the environmental review determination will need to be amended before any work changes can begin.

Environmental Reviews (24 CFR Part 58)

DOH utilizes the scope of work/specifications to determine the level of environmental review. For the minor home repair program, DOH will utilize two different levels of review. The following instructions are based on DOH completing environmental reviews for maintenance activity only programs and broad level tiered reviews for rehabilitation programs.

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Programs Funding Maintenance Activities ONLY

Funding Recipients may choose to offer a maintenance level of assistance to clients as part of its program. This option is allowable if 100% of the repair assistance under this category fall under this level of assistance. The Funding Recipient will have to declare this as part of its application and will be restricted to this level of assistance per property under its contract. ***The Funding Recipient, if found to have offered other rehabilitation assistance to the same property along with DOH maintenance assistance, will be found out of compliance and may be subject to termination of its contact and/or returning funds already reimbursed by DOH or appropriate jurisdiction***.

As such, these programs will be set up with a two-part budget: 1) program delivery costs and 2) direct costs as related to the minor home repair or construction costs.

- This set up will enable DOH two different activities in IDIS under the same project/contract.
    - The program delivery costs will be set up and connected to the construction activity in IDIS.
    - The program delivery activity will be an exempt activity under the environmental review regulations.
    - The construction costs will be evaluated on an address basis under the environmental review under maintenance activities.

Note:

- Not all cities will establish two-part budgets for minor home repair and housing accessibility modification programs. Please check with your local jurisdiction on this point.

Programs Funding Rehabilitation:

Prior to any work beginning on a property, the 2nd Tier of the Broad Level Environmental review must be completed. Each address must be evaluated to verity it is in compliance with the approved Broad Level Environmental review***. HCD Specialists will provide a notice to proceed via CDS (or in Notice to Proceed email from Daly City) prior to work beginning***. ***Any work on the home begun prior to this notice proceed will not be reimbursable and prevent any future work being funded with federal funds going forward.***

Utilizing the Broad Level Environmental review or Tiered Review will enable minor home repair projects to move forward quickly. However, in some instances, the County may opt to follow the CPD Notice 16-02, categorizing some small repairs as maintenance activities, requiring a lower level of review. These will be used on a limited basis to enable small, emergency projects to be expedited.

The County conducts a Broad Level Review for the Minor Home Repair programs it funds, but the a few items the County will need to address on an address-by-address basis. To begin this process, the minor home repair provider will submit a detailed scope of work for the repairs, along with pictures of the front of the home, and the area of the work to be completed. The scope of work should also include an estimated cost for the repairs.

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Radon

Minor Home Repair projects will be required to have a test completed by a licensed tester prior to the completion of the other repairs unless one of the below alternative approaches is employed. Typically, this will need to occur in the basement or crawlspace. If no such space exists, the test can be completed in an internal room on the first floor. Based on the test results, homeowners can choose to include a vapor mitigation system in the project scope. After installation and repairs are complete, a test is required to ensure that the system is working properly.

If the test results indicate that the property has radon levels exceeding 4.0 picoCuries/Liter (pCi/L) and a homeowner chooses not to install a vapor mitigation system, the homeowner(s) must sign the Radon Acknowledgement Form. If more than one person is listed on the deed, this form requires a signature from all owners of the property to acknowledge that they recognize the health risks associated with radon and are choosing not to have a system installed.

Emergency repairs through the Minor Repair program will not trigger radon compliance (i.e. an emergency furnace repair during the winter).

A list of licensed radon testers and mitigators can be found here: https://certifiedradonpros.org/ca.html

Licensed testing and mitigation do not need to be from the same company.

Exceptions to testing are allowed for:

- buildings with current mitigation systems and documentation of radon levels below 4.0 pCi/L with test results dated within 2 years of submitting the application for HUD assistance.
- buildings tested within five years of the submission of application for HUD assistance: test results document indoor radon levels are below current the EPA's recommended action levels of 4.0 pCi/L.

While the HUD recommends meeting ANSI/AARST testing standards, other alternatives are allowed. This includes:

- Do-it-yourself (DIY) radon test kits may be used to measure radon levels in single-family dwelling units.
- In remote or other areas where there are no licensed/certified radon professionals and/or DIY test kits cannot be shipped to a lab in sufficient time, the local government, such as a local health department or environmental department, may decide to purchase radon monitoring equipment and train staff to use it.
- Scientific data review. Available science-based information may be used to determine whether the project site is located in an area that has average documented radon levels at or above 4 pCi/L.

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Section 106/SHPO/Historic Review

Minor home repair projects are subject to a 106 review. Consultation will be required via the State Historic Preservation office for each rehabilitation project, except for interior only projects. Any consultation with the preservation office may add a 30-day delay to the work.

Tribal Consultation as Part of Section 106 Review

As part of the environmental review, minor home repair projects generally are not subject to tribal consultation within the Section 106 Historic Review of the Environmental Review. However, in the case where the repair will involve ground disturbance, the County must consult with tribes listed by the Tribal Directory Assessment Tool (TDAT) by HUD or tribes listed by the State Historic Preservation Office. Any consultation with a Tribe may add a 30-day delay to the work.

FEMA Flooding

The minor home repair program cannot provide assistance to properties located in floodways or the 100-year flood plain now defined as the FFRMS floodplain (or areas noted on FEMA maps as flood hazards). San Mateo County relies on the use of the FEMA Mapping system https://msc.fema.gov/portal/home to determine if a property requesting a minor home repair is located within the floodway or flood zone.

San Mateo County will require funding recipients to provide a copy of the FEMA Map with the property identified along with the scope of work.

If the scope of work includes mitigation efforts acceptable to the FFRMS standards, the county may approve work on a property within a flood zone. Project organizations can find out more information about mitigation efforts at https://www.hudexchange.info/environmental-review/floodplain-management/ and https://www.hud.gov/program_offices/comm_planning/environment_energy/ffrms.

Wetlands Mapper

The minor home repair program cannot provide assistance to properties located in wetlands. San Mateo County relies on the use of the wetlands mapper to determine if a property requesting a minor home repair is located within a wetland. https://www.fws.gov/program/national-wetlands-inventory/wetlands-mapper

San Mateo County will require funding recipients to provide a copy of the Wetlands Map with the property identified along with the scope of work.

As of June 2024, there are few sites in San Mateo County considered to be wetlands, however, most of these sides do not have residential properties located in them. Any exceptions to this rule should submit an email question to HCD Specialist.

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Other – Environmental Assessments

In rare instances, some rehabilitation may trigger a higher level of review, called an Environmental Assessment. In the case of such rehabilitation, the County will notify the Funding Recipient of the change and may further approvals. Cases that require Environmental Assessments will be addressed on a case-by-case basis.

Lead Based Paint (24 CFR Part 35)

All minor home repair projects must comply with the HCD Lead Hazard policies. This section will provide guidance for compliance with those policies.

All unit occupants must receive the HUD/EPA/CPSC2 pamphlet "Protect Your Family from Lead in Your Home". Funding Recipients must document each homeowner has received a copy of the pamphlet.

All unit occupants must be notified of any lead hazard evaluation results (or the presumption of lead-based paint/hazards) and of the hazard reduction activities and clearance. Funding Recipients must keep a Lead Paint Checklist as part of the files.

Exemptions to the Lead Based Paint Requirements:

1. Exemptions still applicable from the Current Regulations
    1. Residential Structures built after January 1, 1978
    2. Emergency activities

2. Existence of Lead-Based Paint Unlikely
    1. Areas where state and local governments banned lead-based paint prior to January 1, 1978.
    2. Properties found not to have lead-based paint during earlier testing that meets the requirements of proper evaluations.
    3. Properties where all lead-based paint has been identified and removed using approved methods.

3. Human Threat Unlikely
    1. Unoccupied units that will be demolished.
    2. Property not suitable for human habitation.
    3. Rehabilitation that does not disturb paint.

[2] Consumer Product Safety Commission

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4. Child Occupancy Unlikely
    1. Zero-room dwelling units (including studio apartments).
    2. Elderly and disabled housing.

Requirements for properties constructed prior to 1978 and receiving less than or equal to $5,000 of federal funds per unit for rehabilitation activities include the following:

1. Lead hazard evaluation
    - Paint testing must be conducted to identify lead-based paint on painted surfaces that will be disturbed or replaced, or
    - Funding Recipients may assume that these surfaces contain lead-based paint.

2. Lead hazard reduction
    - If lead-based paint is detected, safe work practices must be used during rehabilitation.
    - If lead-based paint is assumed, all paint disturbed during rehabilitation must be repaired using safe work practices. Safe work practices include protecting occupants from lead-based paint hazards associated with lead hazard reduction activities, preparing the worksite to prevent the release of lead dust and debris, and appropriate worksite cleanup to remove dust and debris from the work area.

3. Clearance
    - Clearance is required only for the work area.
    - Clearance must be performed by a certified risk assessor, certified lead-based paint inspector or clearance technician.

Requirements for properties constructed prior to 1978 and receiving federal assistance between $5,000 and $25,000 per unit for rehabilitation activities include the following:

1. Lead hazard evaluation
    - Paint testing must be conducted to identify lead-based paint on painted surfaces that will be disturbed or replaced, or Funding Recipients may assume that these surfaces contain lead-based paint.

2. Lead Hazard Reduction
    - If lead-based paint or lead-based paint hazards are detected during the evaluations, safe work practices and interim controls must be implemented to reduce lead-based paint hazards.
    - Safe work practices include protecting occupants from lead-based paint hazards associated with lead hazard reduction activities, preparing the worksite to prevent the release of lead dust and debris, and appropriate worksite cleanup to remove dust and debris from the work area.

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- Interim control methods include paint stabilization; treatment for friction and impact surfaces; treatment for chewable surfaces; lead-contaminated dust control; and lead-contaminated soil control.
- If lead-based paint or hazards are assumed, the Subrecipient must follow safe work practices and perform standard treatments in lieu of interim controls on all applicable painted surfaces and lead-based paint hazards.
- Safe work practices include protecting occupants from lead-based paint hazards associated with lead hazard reduction activities, preparing the worksite to prevent the release of lead dust and debris, and appropriate worksite cleanup to remove dust and debris from the work area.
- Standard treatments include paint stabilization, smooth horizontal surfaces that can be cleaned, correcting dust generating conditions, and bare residential soil.

3. Clearance
   - Clearance is required when lead hazard reduction activities are completed in the unit, common areas servicing the unit, and exterior surfaces where hazard reduction took place.
   - Clearance must be performed by a certified risk assessor, certified lead-based paint inspector or clearance technician.

Requirements for properties constructed prior to 1978 and receiving federal assistance over $25,000 per unit for rehabilitation activities include the following:

1. Lead hazard evaluation
   - Paint testing must be conducted to identify lead-based paint on painted surfaces that will be disturbed or replaced, or Funding Recipients may assume that these surfaces contain lead-based paint.
   - A risk assessment must also be conducted prior to rehabilitation to find lead-based paint hazards in assisted units, in common areas that service those units, and on exterior surfaces, including soil; or Funding Recipients may assume that lead-based paint hazards are present.

2. Lead hazard reduction
   - If lead-based paint hazards are detected during the evaluation, abatement must be completed to permanently reduce these hazards. Abatement permanently removes lead-based paint and lead-based paint hazards by removing lead-based paint and its dust, or permanently encapsulating or enclosing the lead-based paint, replacing components with lead-based paint, and removing or permanently covering lead contaminated soil. Encapsulation and enclosure require ongoing maintenance to check their effectiveness.
   - If lead-based paint hazards are detected on the exterior surfaces that are not disturbed by rehabilitation during the risk assessment, interim controls may be completed instead of abatement to reduce these hazards. Interim control methods include paint stabilization; treatment for friction and impact surfaces; treatment for chewable surfaces; lead-

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contaminated dust control; lead-contaminated soil control.

- If lead-based paint is detected or assumed, safe work practices must be used during lead hazard reduction. Safe work practices include protecting occupants from lead-based paint hazards associated with lead hazard reduction activities, preparing the worksite to prevent the release of leaded dust and debris, and appropriate worksite cleanup to remove dust and debris from the work area.

3. Clearance
   - Clearance is required when lead hazard reduction activities are completed in the unit
   - common areas servicing the unit, and exterior surfaces where hazard reduction took place.

The County has developed a form that walks Funding Recipients through each step of the process. This includes:

- Notification
- Determining if the project is exempt under the lead paint regulation
- Determining if the project meets di minimis levels
- Approach based on the level of federal funding in the property

NOTE: If a change order moves the level of funding from one level to the next highest level, the course of action or approach does not change. An example, if the initial scope of work/specifications totals to $4,000 and a change order adds another $1,200 of work to a total of $6,200 of CDBG investment, the approach would still be under the $5,000 limit. This should not be used as a method for skirting the lead-based paint rules. ***Habitual use of change orders to move to a higher level of investment while using a lower threshold for lead paint may result in the termination of the CDBG Award and repayment of funds.***

All contractors must have at least one person with an EPA Lead Rehabilitation and Repair Program Renovator Certification on site.

Documentation for Reimbursement (2 CFR Part 200.413)

Important to note that all request for reimbursement should reflect only CDBG specific charges related to the activities outlined in the scope of work. Invoices from Funding Recipients and Vendor are paid upon reimbursement only. Costs and invoices must be incurred during the contract period. Costs incurred prior to the contract start date or after the contract term expires will not be paid. County contracts currently allow for reimbursement requests to be made 30 days past the expenditure deadline or expiration date of the contract.

Table 2 outlines what supporting documentation must accompany reimbursement requests by the type of cost item.

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Table 2 - Supporting Documents for Reimbursement

COST ITEM	SUPPORTING DOCUMENTS
Salaries	• Signed personnel activity reports (timesheets) summarizing the distribution of activity of each employee. Timesheets should identify the amount of time spent on serving San Mateo County / appropriate jurisdiction's clients, or directly on the program. • Timesheets shall be signed by the employee and their direct supervisor (in the case of an Executive Director, the Board President must sign the timesheet). • Documented payrolls or payroll reports approved by a responsible official of the organization to show proof of payment.
Fringe Benefits	• Proof of payment of fringe benefits including health insurance statements, life insurance statements, etc. Fringe benefits will be calculated as a percentage of salaries invoiced.
Materials and Supplies	• Copies of invoices/receipts
Utilities	• Copies of invoices/receipts
Other expenses	• Copies of invoices/receipts/billing statements

In addition, the Funding Recipient must provide proof of payment to those vendors or contractors. Proof of payment may be documented in a number of ways. Examples include:

- Copy of check; Front and back
- Copy of bank statement showing ETF or check payment;
- Copy of credit card statement showing payment credit card payment; or
- Copy of statement from on-line account or application showing payment.

Funding Recipients may only seek reimbursement for costs included as part of their budget. No costs outside of budgeted costs may reimbursed without a contract amendment.

Termination of Property Owners from Program (San Mateo County Requirement)

The County asks Funding Recipients to make a reasonable effort to work with and guide property owners throughout the process. This includes assisting property owners with application materials, income documentation, and walking through the construction process. However, there are a few

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instances when the Funding Recipients may need to terminate a property owner or their tenant from the program.

Selection for the County's Minor Home Repair Program may be terminated for the following reasons:

- Identification of income that places the household over the income threshold.
- Identification of fraud of any type in the application provided to the Funding Recipient or County.
- Verbal abuse or threat of physical harm to any County or other jurisdiction staff member, Funding Recipient staff member, consultant or contractor of the program.
- The property owner is determined to be unresponsive. Unresponsive is defined as:
    - Failure to respond to multiple attempts by the Funding Recipient to reach the property owner over a period of 3 weeks. This includes the property owner not returning or responding to multiple phone calls or emails.
    - Failure to show for a 3 or more scheduled meetings for any single stage of the process
    - Failure to allow access to their home to the contractor.

Grievance or Appeal Process (24 570.431 (b) (5))

NOTE: This section only applies to San Mateo County. Other jurisdictions have their own grievance or appeals processes.

San Mateo County's Department of Housing is dedicated to maintaining a fair and transparent process for addressing grievances in federally funded programs administered by the County. To issue a complaint against any department, division or service within the County of San Mateo, individuals or organizations can obtain a complaint form from:

- In-person: Board of Supervisors office located at 400 County Center (formerly 401 Marshall Street), Redwood City, CA.
- Online: via the form located on the County Executive's website: Complaint Form | County of San Mateo, CA (smcgov.org)
- Via mail: COMPLAINTS, SMC Board of Supervisors, 400 County Center, 1st Floor, Redwood City, CA 94063
- Via fax or email: request that a form be sent to you by calling (650) 363-4123.
- Note: on occasion, informal complaints are submitted directly to the Department of Housing, another County Department, or a third-party agency (e.g., HUD, or a client of a subrecipient); these will follow the same process as those submitted via the County's complaint form.

Grievance Review and Investigation: Compliant forms will be directed to the Department of Housing Director. Upon receiving a grievance related to work under the purview of the Department of Housing, the DOH will initiate a thorough review and investigation. This may involve gathering additional information, interviewing relevant parties, and examining relevant records or documentation.

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Grievance Decision and Follow-up: Once the investigation is completed, the DOH will issue a decision based on the findings. If the grievance is substantiated, appropriate corrective actions or remedies will be implemented. The DOH will also provide a written response to the grievant, outlining the decision and any subsequent steps, as applicable.

Documentation and Recordkeeping: All grievances and related documentation, including the written complaints, investigation reports, decisions, and correspondence, will be properly documented and retained in accordance with record retention policies.

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Procedures:

1. Program organization accepts an application for home repair assistance.
2. As part of the intake process, program organization:
    a. Verifies the location of the unit to be repaired
    b. Verifies property taxes are paid
    c. Collect the needed documentation for the income calculation
    d. Determine the work requested by the homeowner
    e. Determine if the applicant has any possible or perceived conflict of interest with the program or the County
3. If the repairs qualify, homeowner completes and signs Home Repair Application. This is a general intake form to be used by Funding Recipients. Funding Recipients may utilize one of their own creation or one created by DOH. However, if the Funding Recipient utilizes their own application, it must collect the data required by DOH.
4. Income Calculation
    a. Using the documents from the homeowner and utilizing the HUD Income Calculator or the provided Excel Income Calculation Form, complete the income calculation
    b. Review the income calculation with the household and have the household and staff member at the program organization.
    c. The Income calculation is shared with County staff for review, to verity completeness and eligibly.
5. Application, Proof of Income, Income Calculation, Scope of Work and Estimates are submitted to the HCD Specialist. HCD Specialist verifies that the applicant is the owner of the house.
    a. The Scope of work should include:
        i. estimated cost – including line-item costs
        ii. photos of the repair area
        iii. photos of the front of the property
6. HCD Specialist Conducts the Environmental Review for the Specific Site:
    a. For Tiered Reviews, HCD Specialists will complete the final laws and regulations listed in the tiered review as to be completed by address. Most common items include:
        i. Airport Maps
        ii. Section 106 consultations
        iii. Identification of any contaminated site within ½ mile
        iv. Identification of any radon hazards
        v. Identification of Wetlands on the site
        vi. Identification of the flood hazard
7. The Funding Recipient must test the home for radon, or use an alternative approach to determining radon levels, if the home does not meet an exception.
8. If required by the lead-based paint policy, the Funding Recipient must test the home for lead paint hazards.

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9. The HCD Specialist will email a notice to proceed. **NO WORK MAY BEGIN PRIOR TO THE NOTICE TO PROCEED**.
10. Updates to Scope of Work identified by testing must be provided to the HCD Specialist to approve.
11. Funding Recipients must procure the work according to the scope of work approved by the HCD Specialist.
12. Funding Recipients should ensure that selected contractor is not a Debarred Contractor prior to contract execution between the Funding Recipient and Contractor. ***No contractor listed on the list of debarred or suspended contractors may work on any rehabilitation job***.
13. Any change orders must be approved by the HCD Specialist.
    a. The HCD Specialist must consider the impact of the change to the environmental review determination.
        i. If the determination remains the same, the project can be approved.
        ii. If the determination changes, the HCD Specialist must amend the environmental review and come to a new determination.
    b. If the environmental review level determination remains the same, the HCD Specialist must update the environmental review with a CENST level of review. Upon completion of the update, the HCD Specialist will notify the Funding Recipient to move forward with the change order.
    c. If the environmental review level determination changes, the HCD Specialist should complete a new environmental review document.
14. Upon completion of work, the Contractor submits invoice to the Funding Recipient.
15. The homeowner must sign off on the completion of the work. This verifies they are satisfied with the work.
16. The Funding Recipient is responsible for the final inspection, taking after photos and getting a signature approval from the homeowner.
17. The Funding Recipient will submit a reimbursement request documenting:
    a. Staff time via timesheets
    b. Contractor invoices
    c. Copies of checks to contractors
    d. Copy of pictures after the work
    e. Documentation of Property owner approval

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Client File Checklist:

	Intake Form/Application
	Referral Email/Note from Code Enforcement (if applicable)
	Income Documents
	Income Calculation Form - Completed
	Verification of Residence/Property Taxes paid
	Verification of Homeownership
	Environmental Review - Completed
	Before Photos of Property
	3 Bids from Contractors (or note stating a no bid)
	Lead Based Pamphlet Form signed by Homeowner
	Lead Hazards Review Worksheet
	Copy of Signed Contract with Contractor
	Confirmation contractor was not disbarred or suspended (sam.gov)
	Invoice from Contractor
	Completion Form, Signed by Contractor and Homeowner

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APPENDIX A: DALY CITY ADDENDUM - **INTENTIONALLY OMITTED**

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APPENDIX B: CPD NOTICE 16-02

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U.S. Department of Housing and Urban Development
Community Planning and Development

Special Attention of:

Regional Directors
Field Office Directors
CPD Division Directors
Regional Environmental Officers
Responsible Entities
Healthcare Directors
PIH Staff
Public Housing Agencies
Program Environmental Clearance Officers
Multifamily Office Directors
Multifamily Regional Center Directors
Multifamily Satellite Office Directors

Notice: CPD-16-02

Issued: February 8, 2016

Expires: This Notice is effective until amended, superseded, or rescinded.

Supersedes: March 28, 2006 CPD policy memorandum on this subject

SUBJECT: Guidance for Categorizing an Activity as Maintenance for Compliance with HUD Environmental Regulations, 24 CFR Parts 50 and 58

I. Purpose and Background

This Notice provides guidance on categorizing an activity as maintenance for purposes of compliance with HUD's environmental regulations, 24 CFR Parts 50 and 58. Under 24 CFR 50.19(b)(13) and 58.35(b)(3), maintenance is categorically excluded from environmental assessment under the National Environmental Policy Act (NEPA) and not subject to compliance requirements of the related federal environmental laws in 24 CFR 50.4 and 24 CFR 58.5, including the National Historic Preservation Act of 1966. Similarly, 24 CFR 50.19(b)(21) excludes refinancing of HUD-insured mortgages from NEPA and the related laws if associated physical impacts are limited to routine maintenance, and do not include new construction or rehabilitation. HUD-assisted maintenance activities do not affect the environment, and do not require compliance with federal environmental laws, other than the Coastal Barrier Resources Act[1] and sometimes the National Flood Insurance Program. The Responsible Entity (RE) or HUD reviewer must make a determination of the level of environmental review required for every project and document it in the Environmental Review Record (ERR) before any project activities may occur, including activities determined to be Categorically Excluded and not subject to related laws under the provisions of this Notice.

[1] The Coastal Barrier Resources Act prohibits HUD assistance in the designated Coastal Barrier Resources System.

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II. Applicability

This Notice applies to HUD activities that require an environmental review. HUD activities include grants, loans, financing, subsidies, insurance, and approvals. Some HUD activities do not require an environmental review.[2] The guidance in this Notice describes how Responsible Entities and HUD reviewers should interpret maintenance in the environmental review of HUD-assisted, HUD-insured, and HUD-subsidized activities, including those in Community Planning and Development (CPD), Housing, and Public and Indian Housing (PIH). It is not meant to define maintenance for other program purposes.

When making an environmental determination, distinguishing between maintenance activities and more extensive repair and rehabilitation activities requires careful consideration. The information provided below will assist in determining whether an activity is maintenance and therefore exempt from further environmental review, or, if it is rehabilitation and therefore requires further environmental review, which in most cases will be review under the authorities other than NEPA listed in 24 CFR 50.4 and 58.5.

III. Discussion

In general, maintenance activities slow or halt deterioration of a building and do not materially add to its value or adapt it to new uses. Sometimes, maintenance of a building feature or system requires periodic replacement of individual component parts that are subject to normal wear and tear. While maintenance is often budgeted as an operating expense, and repairs and rehabilitation are treated as capital expenses, it is the nature of the activity itself, not its budget category that determines whether it qualifies as maintenance for environmental review purposes.[3] Simultaneous maintenance work in multiple units or buildings is still considered maintenance.

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[2] Consult Program Environmental Clearance Officers (PECOs) for information on which program activities do not require environmental review. For example, issuance of Single Family FHA mortgage insurance in the 203(k) program does not require environmental review. For some programs, like Multifamily Section 223(a)(7) refinancing transactions, the environmental review can be done on a programmatic basis so that individual reviews are not necessary.

[3] For example, Public Housing activities assisted with Capital Funds and Operating Funds are subject to environmental review requirements pursuant to 24 CFR 905.308(b)(2) and 24 CFR 990.116 respectively. Although minor repairs and replacements are often budgeted as a PIH operating expense in accordance with section 9(g) of the United States Housing Act of 1937, some minor repairs and replacements may be considered rehabilitation for environmental review purposes. Likewise, nonroutine maintenance as defined in 24 CFR 905.200(b)(5) is not maintenance for environmental review purposes. In addition, the following activities are not considered maintenance in PIH assisted programs: (1) Modernization (as defined in 24 CFR 905.200(b)(4), (5), (6), (9), (11), (12)(ii) and (vii)(A), (B), and (E), (14)(iii), (iv), (v), and (vi) and (18) and (2) Development activities (as defined in 24 CFR part 905, subpart F). If maintenance activities are done as part of a broader modernization or development activity, then the entire activity would generally be considered as modernization or development and not maintenance for purposes of environmental review compliance.

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For environmental review purposes, deferred maintenance that has resulted in a need for extensive repairs and rehabilitation does not qualify as maintenance. If items that would otherwise be considered maintenance are done as part of an extensive remodeling or renovation of a building that amounts to rehabilitation, the entire job is considered rehabilitation. Depending on the extent of damage, activities performed after a disaster event will typically not be considered maintenance.

General examples of maintenance activities for environmental review purposes:

(1) Cleaning activities;
(2) Protective or preventative measures to keep a building, its systems, and its grounds in working order;
(3) Replacement of appliances that are not permanently affixed to the building;
(4) Periodic replacement of a limited number of component parts of a building feature or system that are subject to normal wear and tear;
(5) Replacement of a damaged or malfunctioning component part of a building feature or system. (Replacement of all or most parts or an entire system is not maintenance.)

For specific examples of activities that do and do not qualify as maintenance, see the attached Table. Responsible Entities and HUD reviewers should use the Table and the general examples above, taking into account the scope and extent of the activity, to properly categorize activities as maintenance for environmental review purposes.

IV. Scope of Review for Rehabilitation

When a Responsible Entity or HUD reviewer makes a determination that project activities are rehabilitation and therefore require compliance with related environmental laws and authorities, the scope of the environmental review may be limited if the work is minor and does not involve ground disturbance. Consult Regional Environmental Officers, Field Environmental Officers, and Program Environmental Clearance Officers for information and examples of Environmental Review Record documentation for limited reviews. The scope of an environmental review relates to the nature and extent of the rehabilitation activities. Some activities, especially those limited to interior spaces, may not have the potential to affect the natural environment, and therefore not require analysis under some of the related laws and authorities like those addressing Wild and Scenic Rivers, Endangered Species, Farmland Protection, or Protection of Wetlands. A reviewer can quickly document such instances in the Environmental Review Record, and focus effort and further analysis on those environmental areas that may be impacted by a project. In residential rehabilitation, those typically include Floodplain Management, Historic Preservation, Noise Abatement, Toxic Chemicals and Radioactive Materials. Historic Preservation review (Section 106) may be expedited through Programmatic Agreements and other program alternatives.

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It is also possible to group multiple years of expected activities into one environmental review. For instance, rehabilitation activities could be outlined in a 5-year environmental review for a property and be reviewed once, without requiring individual reviews each time a single activity occurs during the time period.

If you have any questions about this Notice, please contact your Regional Environmental Officer or Nancy Boone at Nancy.E.Boone@hud.gov , or phone (202) 402-5718.

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EXAMPLES OF MAINTENANCE ACTIVITIES vs. REHABILITATION ACTIVITIES FOR ENVIRONMENTAL REVIEW PURPOSES

Feature or System	Maintenance Activities [4]	Rehabilitation Activities [5]
Site	• lawn care (litter pickup, mowing, raking), trimming trees and shrubs • snow/ice removal • neighborhood cleanup • application of pavement sealants, parking lot restriping, directional signage or marking for handicapped accessibility • repair of cracked or broken sidewalks	• new landscaping throughout an area • construction of new walkways, driveways or parking areas, or replacement thereof
Building Exterior	• cleaning and fixing gutters and downspouts • repainting previously painted surfaces (including limited wet scraping and low-pressure washing) • replacing deteriorated section of siding • removal of graffiti	• cleaning masonry or stripping painted surfaces by sandblasting, acid wash, or high pressure washing • applying new exterior siding
Roof	• fixing leaks • application of waterproof coating to a flat roof • replacement of deteriorated flashing • in-kind replacement of loose or missing shingles or tiles	• complete replacement of roof with new shingles, tiles, roll roofing, membrane, or new metal roof • installation of solar panels
Windows and Doors	• washing windows • caulking, weather stripping, re-glazing windows and doors • fixing broken windowpane(s), storm window(s) or damaged entry door • replacing broken door lock • replacing a vandalized entry door to restore security of a building or unit • replacing a single severely damaged window to match • annual switch out of storm and screen panels	• replacement of windows • replacement of exterior doors • adding storm windows or storm doors
Interior Walls and Ceilings	• patching or mending cracked plaster • patching or fixing holes or cracks in drywall • replacing stained ceiling tiles • painting or wallpapering	• installation of new drywall or paneling • installation of new acoustical ceiling • installation of dropped ceilings
Flooring	• cleaning floors • stripping wooden floors and resealing • installation or replacement of carpeting or vinyl flooring*	• installation of new wood floor

* These maintenance items may require purchase of flood insurance if they occur in a Special Flood Hazard Area (SFHA), and costs exceed the standard deductible for the specific type of structure or unit under the National Flood Insurance Program (NFIP).

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Feature or System	Maintenance Activities [4]	Rehabilitation Activities [5]
Circulation	• in-kind replacement of broken stair treads or balusters • inspection and servicing of elevators	• rebuilding stair or constructing new stair • installation of new access ramp • elevator replacement
Kitchen	• replacement of stoves, refrigerators, and microwaves* • replacing cabinet hardware*	• complete or substantial kitchen remodel
Bathroom/Laundry	• unclogging sink or toilet • replacing deteriorated toilet in an occupied housing unit* • replacing broken medicine cabinet* • replacing washing machines and dryers* • installation of grab bars	• complete or substantial bathroom remodel
HVAC	• servicing and maintenance of mechanical systems • changing air filters • cleaning air ducts • installing or replacing a window air conditioner • replacing a malfunctioning part of a HVAC system like a thermostat *	• installation of new furnace or heat distribution system • installation of central air conditioning
Electrical/Lighting	• changing light bulbs • replacing malfunctioning light fixture, electrical switch or outlet*	• major rewiring of building • installation of new electrical service • replacing or moving electrical panels
Plumbing	• fixing plumbing leaks* • repairing damage from frozen pipes* • repairing water or sewer connection within existing utility trench alignment • replacing malfunctioning water heater*	• installation of new plumbing system • new water or sewer connection
Security	• repair of security alarm systems • boarding up a vacant building with protective plywood • installation of temporary security fencing • installation of security devices needed for an individual health facility patient	• installation of permanent security bollards • installation of new security alarm system
Life Safety	• servicing smoke, fire and CO detectors • installation of smoke, fire and CO detectors	• making substantial physical changes to a building to comply with fire and life safety codes • installing fire suppression system
Pest Infestation	• pest inspection/treatment	

[4] Categorically Excluded from NEPA and not subject to the related authorities listed in 24 CFR 50.4 and 58.5, unless Extraordinary Circumstances apply pursuant to 24 CFR 50.19(a) or 58.35(c).

[5] Generally Categorically Excluded from NEPA and generally require review under related authorities listed in 24 CFR 50.4 and 58.5, but an RE or HUD reviewer may make a determination that an Environmental Assessment or Environmental Impact Statement is required due to individual project circumstances.

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APPENDIX C: SAMPLE SCOPE OF WORK

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BASIC SCOPE OF WORK

PROJECT NAME	San Mateo County - Minor Home Repair Program Example
ORGANIZATION NAME	Local Community Development Corporation
POINT OF CONTACT	Joe Smith
PHONE	
EMAIL	
ORGNAIZATION ADDRESS	
PROJECT (MHR) ADDRESS	321 MAIN STREET, REDWOOD CITY, CA
SCOPE OF WORK AUTHOR	Proj
DATE	7/17/2024

SCOPE OF WORK

What does the project entail? What are the delivery methods?

Provide minor home repair (specific activities listed in project deliverables by line items) to help homeowner with deferred mainntenance to their home. Address issues that have resulted from deferred maintenance. Home was built in 1985.

PROJECT DELIVERABLES

Note the tangible products / services resulting from this project.

clean exeterior gutters, replace 5 missing shingles with like shingles/same shingles, caulk/weather strip 3 bedroom windows, patch ceiling under leaking roof in primary bedroom, replace malfunctioning water heater - See attached pictures of work areas. No ground disturbance anticipated. Approximate area of paint to be disturbed - 20 square feet. (LISTED HERE THE ACTIVITIES TO BE COMPLETED TO MATCH THE CPD NOTICE 16-02 AND THAT ARE NEEDED IN THE HOME. ALL OTHER TYPES OF REPAIR WILL BE CONSIDERED RENOVATION)

ESTIMATED COST

EXPENSE	DESCRIPTION	COST
INTERNAL LABOR	cleaning of gutters, repace missing shingles, caulking	$ 1,000.00
EXTERNAL LABOR	replace malfunctioning water heater, patch ceiling	$ 2,000.00
MATERIALS	caulking, shingles, water heater, etc.	$ 3,000.00
SERVICES		$ -
OTHER	contingency	$ 600.00
	TOTAL	$ 6,600.00

APPROVAL & COMMENTS

PROPERTY OWNER	Jane Doe
SIGNATURE	
DATE	7/17/2024
PROJECT MANAGER	Joe Smith
SIGNATURE	
DATE	7/17/2024

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APPENDIX D: MATERIALS FROM MINOR HOME REPAIR TRAINING SESSION

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MINOR HOME REPAIRS

CDBG TRAINING

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CDBG BASICS

- All CDBG projects must benefit persons or residents of the community
- 100% of Home Repair recipients must be low to moderate income households (80% AMI).

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CDBG ELIGIBILITY

- All households served by the CDBG programs must earn annual incomes below 80% AMI, but report at three different levels (30%, 50% and 80% AMI)
- Must be a homeowner or renter of a property in San Mateo County.
  - Home must be owner occupied; primary residence
  - Renters are only eligible for accessibility, or accommodations (wheelchairs ramp and/or grab bars installation. Installation is also contingent on landlord's approval).
- A Housing unit may be manufactured home, as defined by HUD, under HUD code 24 CFR part 3280, which are federal standards for the design and construction of manufactured homes to assure quality, durability, safety, and affordability.

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INELIGIBLE APPLICANTS

- Mobile Homes
- Tiny Homes (not affixed to a permanent foundation)
- ADU's

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RETURN APPLICANTS – COUNTY POLICY*

- A property owner may receive assistance multiple times within five years of the first year of assistance; however, the total assistance is not to exceed $20,000.00 (Exceptions may be granted on a case-by-case basis).

*Note: This policy may differ by jurisdiction, please check with your grants administrator to understand the policy related to your grant.

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TIMELINE

- Minor Home Repair program does not lend itself to emergency repairs.
- Funding Recipients should allow County employees **5-7 days** to review submission of project via CDS.
  - Processing of warrants, approval or denial of projects, sending back to draft for additional information or documentation.
- Funding Recipients should be aware environmental review processes take time.
  - During the review submission period **of 5-7 days** smaller repairs that fall under maintenance will be evaluated on the level of environmental review to be completed.
  - Standard repairs and rehabilitation may take **45-60 days** to complete an environmental review.

*Funding Recipients must complete all work within the contract term period.

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CLIENT FILES

- Client Intake
  - Address of the client
  - Number in the household
  - Demographic information
  - Conflict of Interest disclosure
- Income Calculation – must show work
- Correspondence with Client
- Environmental Review Request
- Notice to Proceed

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CLIENT FILES

- Lead Based Paint Form
- Scope of Work Including Budget Estimate
- Bidding Documents
- Contract with Contractor
- Final Inspection
- Invoice from Contractor

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IMPORTANT THINGS TO REMEMBER

- Protect Personally Identifiable Information
- All adults must consent to third party verification when needed. Can use the HUD-9887 form.
- All adults in household must sign the final income calculations
- Zero income Affidavits for all members over 18 years or older declaring zero income
- If you have a wait list and it has been more than 12 months since the initial intake, update the income calculation for any changes.

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INCOME CALCULATION

- HUD Income Calculator - https://www.hudexchange.info/incomecalculator/
- Currently use the Part 5 definition of income, which can be found in 24 CFR 5.609
- The calculation must be done at the intake process.
- All polices must outline the policies for calculating income.
- County also has an income calculations spreadsheet.
- Income documentation (most recent- no older than 12 months of date of provision of the services) – for all household members over the age of 18
  - W-2's, tax returns
  - Paystubs – 2 months worth
  - Bank statements – 2 months worth
  - Government benefit statements – such as Social Security or SSI
  - Alimony
  - Zero income affidavit

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STEPS TO CALCULATING INCOME

1. Determine the household size – who to count
2. Determine the income to include/exclude
3. Determine the assets to include/exclude
4. Acquire documentation of income/assets
5. Acquire third party documentation
6. Making the calculation

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ELIGIBLE AND INELIGIBLE IMPROVEMENTS

Eligible Improvements	Ineligible Improvements
Structural repairs	New Sunrooms/patios
Weather proofing	Luxury fixtures
Roof repair/replacement	Skylights/sky tubes
Siding/Stucco repair/replacement	Custom/luxury window/door trim
Electrical system repairs/replacement	Solar Panels
Plumbing repairs/replacement	Furniture
HVAC repairs/replacement	Non-essential appliances
Ductwork repairs/replacement	Luxury/industrial/professional appliances
Kitchen rehabilitation, including food safe surfaces, accessible cabinets, resilient flooring, built-in appliances (refrigerator, stove, hood vent, dishwasher, installed microwave, or microwave/hood vent combination unit), and fixtures	Custom/Luxury finishes, such as imported stone countertops, industrial fixtures/finishes, and custom or luxury wall finishes
Bathroom rehabilitation, including resilient flooring, low-flow shower/bath plumbing, shower/bath replacement, grab bar installation, vanity and sink repair/replacement, and low-flow handicapped accessible toilets	Equipment that does not require permanent installation such as TVs, cable boxes, internet routers, stereo equipment, computer equipment including monitors
Fireplace repair (for code violations)	New fireplaces
Interior and exterior paint	Custom/luxury interior/exterior paint
Lead based paint remediation	Countertop appliances
New resilient flooring	Luxury/custom flooring
Accessibility improvements, including ramps, widening doorways, and kitchen and bathroom accessibility, and security lighting	General landscaping (for non-hazardous situations)
Water heater repair/replacement	New de-attached sheds, garages, and other structures
Hazardous landscaping repair, including obstructed or uneven path of travel, damaged fences, and hazardous trees/vegetation	Non-residential hardscape
Window repair/replacement	Food for Volunteers or Staff
Chimney repair	
Room additions (in situations of overcrowding)	
Patio roof repair/replacement	

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DEVELOPING A SCOPE OF WORK

- Scope of work is the same as project description
- Include a general narrative scope – include the date the house was built, if ground disturbing activity will be a part of the project
- Scope of work should note items being charged specific to the CDBG grant versus work completed by other funds.
- Each description should also include an estimated budget for each repair.
- The scope of work should include
  - Item to be addressed
  - Commonly accepted dimensions (i.e. square feet, linear feet, lump sum, etc).
  - Estimated repair coast per budget line item
- Take pictures of repair area and front of the property

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DEVELOPING A SCOPE OF WORK - REHABILITATION

- CDBG- assisted rehabilitation DOES NOT include the construction of a secondary housing unit attached to a primary unit
  - Installation of luxury items such as swimming pool or granite countertops, the costs of equipment, furnishings or other personal property not an integral structural fixture, such as a window air conditioner (although a stove or refrigerator is allowed); labor costs for homeowners to rehabilitate their own property.
- Breakdown the work by room and trade
  - Planning, demolition, framing, mechanical/HVAC, roofing, painting, kitchen, bathrooms, flooring, carpentry, windows
- May revise scope based on any required radon or lead paint testing

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DEVELOPING A SCOPE OF WORK – CDS PROCESS

- All projects should be submitted to CDS for approval
- Items to be submitted to CDS
  - Address and Year home was built
  - Income Based on the AMI Table
  - Demographics information
  - Detailed Scope of work
  - Estimated coast – including line- item costs
  - Photos of the repair area
  - Photos of the front of the property
- Lead Hazards Review worksheet
- HCD Specialist will email a notice to proceed. **NO WORK MAY BEGIN PRIOR TO THE NOTICE TO PROCEED.**

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ENVIRONMENTAL REVIEW – WHY THE SCOPE MATTERS

- Maintenance vs. Rehabilitation – CPD Notice 16-02
  - Scope of work determines the level of review
  - Lower level of review, or CENST, has less documentation required (5-7 business days)
  - Higher level of review, or CEST, requires consultation with several groups (45-60 days)

CPD Notice 16-02 SUBJECT: Guidance for Categorizing an Activity as Maintenance for Compliance with HUD Environmental Regulations, 24 CFR Parts 50 and 58

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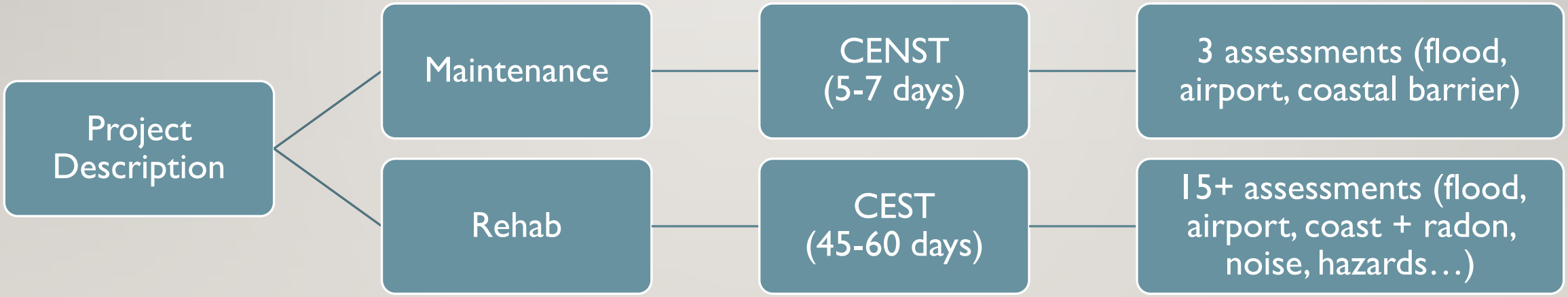
IMPORTANCE OF THE SCOPE OF WORK

Scope of work / project description is critical as it determines the level of environmental review required by HUD



CENST: Categorically Excluded (Not Subject to 58.5)
CEST: Categorically Excluded under 58.35(a)

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EXAMPLES OF MAINTENANCE ACTIVITIES VS. REHABILITATION ACTIVITIES

FOR ENVIRONMENTAL REVIEW PURPOSES Feature or System	Maintenance Activities 4	**Rehabilitation Activities 5**
Site	□ lawn care (litter pickup, mowing, raking), trimming trees and shrubs □ snow/ice removal □ neighborhood cleanup □ application of pavement sealants, parking lot restriping, directional signage or marking for handicapped accessibility □ repair of cracked or broken sidewalks	□ new landscaping throughout an area □ construction of new walkways, driveways or parking areas, or replacement thereof
Building Exterior	□ cleaning and fixing gutters and downspouts □ repainting previously painted surfaces (including limited wet scraping and low-pressure washing) □ replacing deteriorated section of siding □ removal of graffiti	□ cleaning masonry or stripping painted surfaces by sandblasting, acid wash, or high pressure washing □ applying new exterior siding
Roof	□ fixing leaks □ application of waterproof coating to a flat roof □ replacement of deteriorated flashing □ in-kind replacement of loose or missing shingles or tiles	□ complete replacement of roof with new shingles, tiles, roll roofing, membrane, or new metal roof □ installation of solar panels

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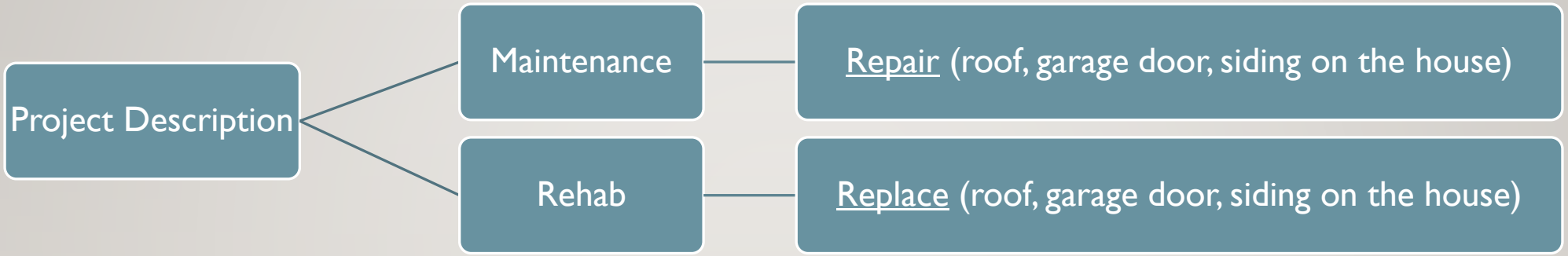
MAINTENANCE VS. REHAB



HUD CPD Notice 16-02 Memo: Official HUD document/guide

Rule of thumb: How it the item affixed to the real estate / property?

- Do you have to physically remove something and put something back (and possibly cause damage in the process or need to retrofit the area to make it work) = rehab
- If it causes physical impact = rehab
- Fixing/painting = generally maintenance
- Any new, exterior door (including garage doors) = rehab

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ENVIRONMENTAL REVIEW

- An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards.
- Initiate by submitting a request to environmental review.
- Must provide as much description as possible as that determines the level of review.
- ***Must wait for a notice to proceed before any work can take place***

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ENVIRONMENTAL REVIEW - CENST

- Airport Hazards – *less than 2,500 from a civilian airport –and less than 15,000 feet from a military airport (example: google maps or NEPA Assist)*
- Coastal Barrier Resources – *California does not have any Coastal Barriers*
- Flood Insurance – *FEMA Firmette provided by provider*

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ENVIRONMENTAL REVIEW – CEST

- The following elements are included in an environmental review in addition to what was part of the CENST Review:
  - Clean Air Act
  - Coastal Zone Management
  - Contamination of Toxic Substances
  - Endangered Species
  - Explosive and Flammable Hazards
  - Farmlands Protection
  - Floodplain Management
  - Historic Preservation (aka Section 106)
  - Noise Abatement and Control
  - Sole Source Aquifers
  - Protection of Wetlands
  - Wild and Scenic Rivers
  - Other 24 CFR 50.4 Related Federal Laws and Authorities
  - Environmental Justice

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LEAD BASED PAINT

- Rule applies to all residential structures, built prior to 1978.
- HUD requires that every home renovated using CDBG funds must receive a lead-based paint pamphlet "Protect Your Family from Lead in Your Home."
- Link to the pamphlet: https://www.epa.gov/sites/default/files/2020-04/documents/lead-in-your-home-portrait-color-2020-508.pdf
- Link to HUD Page on Disclosure: https://www.hud.gov/program_offices/healthy_homes/enforcement/disclosure
- County's LBP Screen Form walks the agency through the process.

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LEAD BASED PAINT CONT.

- Contractors working on a home must have at least one person with an EPA Lead Renovation and Repair Program Renovator Certification
  - https://www.epa.gov/lead/renovation-repair-and-painting-program-renovator-training
  - https://cfpub.epa.gov/flpp/pub/index.cfm?do=main.trainingSearch

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REHAB AND PROPERTY STANDARDS

- All recipients will comply with all applicable housing, building and public health codes, ordinances and zoning ordinances.

- Owners of buildings, including homeowners receiving owner occupied repair assistance, must sign a document stating all work was completed to their satisfaction.

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SUBMISSION OF REMIBURSMENT REQUEST

- A spreadsheet should be included that indicates each line item and cost associated.
- Example:

DATE	TRANSACTION TYPE	NAME	MEMO/DESCRIPTION	AMOUNT	BUDGET CATEGORY

- Invoices from Funding Recipients and Vendor are paid upon reimbursement only. ***Costs and Invoices must be incurred during the contract period***. Costs incurred prior the contract start date will not be paid.
- Minor home repairs need to be completed in a single contract year.

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REIMBURSEMENT REQUESTS

COST ITEM	SUPPORTING DOCUMENTS
Salaries	• Signed personnel activity reports (timesheets) summarizing the distribution of time of each employee. Timesheets should also identify the amount of time spent on serving CDBG-funded clients, or directly on the program. • Timesheets shall be signed by the employee and their direct supervisor • Documented payrolls or payroll reports approved by a responsible official of the organization to show proof of payment.
Fringe Benefits	• Proof of payment of fringe benefits including health insurance statements, life insurance statements, etc. Fringe benefits will be calculated as a percentage of salaries invoiced.
Materials and Supplies	• Copies of invoices/receipts/proof of payment
Utilities	• Copies of invoices/receipts/proof of payment
Other expenses	• Copies of invoices/receipts/billing statements/proof of payment

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REIMBURSEMENT REQUESTS – CONT.

In addition, the Funding Recipient must provide proof of payment to those vendors or contractors. Proof of payment may be documented in a number of ways.

Examples include:

- Copy of check; (front and back)
- Copy of bank statement showing ETF or check payment;
- Copy of payroll report;
- Copy of credit card statement showing payment credit card payment; or
- Copy of statement from on-line account or application showing payment.

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FINAL REIMBURSEMENT AND CLOSEOUT

- All files are to be kept for five years after close of the grant
- Files may be kept electronically
- Final Reimbursement to include:
  - Reimbursement Request
  - Back up Documentation
  - Final Demographic Report
  - Leveraging
  - Contractor MBE/WBE information

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EQUAL ACCESS TO HUD PROGRAMS

Recipients must not exclude from participation in the Program, or deny benefits to any person on the grounds of race, color, national origin, religion, Vietnam-era or disabled veteran status, familial status, sex, sexual orientation or status with regard to public assistance under the Program.

https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_069

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CDBG RESOURCES

- CDBG Regulations – 24 CFR 570
- Uniform Administrative Requirements – 2 CFR Part 200
- HUD Exchange - https://www.hudexchange.info/programs/cdbg/

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OTHER IMPORTANT WEBSITES TO REMEMBER

- HUD Income Calculator - https://www.hudexchange.info/incomecalculator/
- HUD Income Limits - https://www.hudexchange.info/resource/5334/cdbg-income-limits/