

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Community + Human Development

AGENDA DATE: September 3, 2019

CONTACT PERSON/PHONE: Nicole Ferrini, Director, 212-1659, ferrininm@elpasotexas.gov
Mark Weber, 212-1682, webermc@elpasotexas.gov

DISTRICT(S) AFFECTED: All Districts

SUBJECT:

A resolution adopting policies and procedures to plan for and implement the Program Year 2020-2021 Community Development Block Grant (CDBG) Program, Emergency Solutions Grant (ESG) Program, Housing Opportunities for Persons with AIDS (HOPWA) Program, and HOME Investment Partnerships (HOME) Program. Funding becomes available September 1, 2020.

BACKGROUND / DISCUSSION:

The Department of Community and Human Development (DCHD) updates, on an annual basis, the Policies and Procedures for all funding sources received through the Department of Housing and Urban Development (HUD). The Policies and Procedures serve as official notice to interested parties of the availability of funding for projects, services and programs within the City of El Paso for Program Year 2020-2021 (46th CDBG Program Year). Additionally, it establishes local policies and procedures pertaining to those funding sources in compliance with federal regulations. DCHD oversees the planning, implementation and compliance of these federal grants on behalf of the City of El Paso. For the 46th Program Year, those funding sources are:

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

The primary objective of these programs is the development of viable urban communities, including decent housing, suitable living environments, and the expansion of economic opportunities, principally for persons of low and moderate income. The City of El Paso anticipates next year's entitlements to total approximately \$9.4 million beginning on September 1, 2020. Note that the federal entitlements shown below are projections and are subject to change. Final 46th Year entitlement allocations are pending Congressional approval of the HUD budget.

The following amounts are based on previous allocations:

Program	45 th Year Entitlement	46 th Year Entitlement Projection	Projection
CDBG	\$6,278,141.00	\$6,089,796*	3% Decrease
HOME	\$2,371,533.00	\$2,252,956*	5% Decrease
ESG	\$530,773.00	\$530,773.00*	Level Funding
HOPWA	\$556,720.00	\$556,720.00*	Level Funding
*46 th Year entitlements allocations are projections and are subject to change.			

Summary of Proposed Changes

- HMIS Participation. Applicants whose services, program and/or facilities project that will house or primarily serve the homeless population, must fully participate as an entity in the Homeless Management Information System (HMIS) for the full term of the established agreement. "Full participation as an entity" requires that all applicable programs, facilities projects and services operated and/or provided by the entity, regardless of funding source, be compliant with the Standards for Participation of the HMIS Lead Entity. The City will consult with the HMIS Lead Entity (El Paso Coalition for the Homeless) to determine compliance with this requirement.
- A Community Development Steering Committee member will be a part of each Technical Advisory Review Panel during the application review process for Public Services.
- Applications with a final score of 75% or higher will advance to the oral presentation phase of the grant application review process. (70% was the former threshold.)
- The age limits for Youth Recreational Afterschool Program have been set to adhere to HUD's standards for the age group that qualifies as youth, ages 5-19. (Age group was not formerly defined.)
- Incubator Program. Two programs are awarded \$40,000 each, however, DCHD may redistribute partial or whole funding to one or more CDBG Public Services categories if the department does not receive applications for two incubator programs that are responsive to the objective of the set-aside.
- Applicants under the Economic Development category will be required to submit a Letter of Intent (LOI).
- DCHD expects to transition to a two-year funding cycle for Large-Scale projects beginning in the 47th Year. This 46th Year serves as a bridge year where the remaining seven Large-Scale projects from the 45th Year will be reevaluated based on an updated scorecard. The Public Polling Campaign results from the 45th Year will be used as 1/3rd of the ranking of projects. The reevaluation of the projects by the Steering Committee and Technical Advisory Review Panels will serve as the other 2/3rds.
- Sustainability Considerations. Applicants will be expected to incorporate sustainable building technologies, standards and/or practices, such as those in the Leadership Energy and Environmental Design (LEED) Building rating system, or similar (Energy Star, Green Globes), if possible. Projects that include replacement or repair of energy consuming systems (i.e. HVAC, lights, and boilers) should follow Energy Star (www.energystar.gov) standards, if possible.
- All HOPWA subsidized housing must be located within El Paso County, including the City of El Paso.


PRIOR COUNCIL ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ FINANCE: (if required) _____

DEPARTMENT HEAD:

for  _____
Nicole Ferrini, Director, Community and Human Development

APPROVED FOR AGENDA:

CITY MANAGER: _____

DATE: _____

RESOLUTION

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

That the Policies & Procedures for the 46th Program Year implementing the 2020-2021 Community Development Block Grant (CDBG) Program, Emergency Solutions Grant (ESG) Program, Housing Opportunities for Persons with AIDS (HOPWA) Program, HOME Investment Partnerships (HOME) Program are approved and adopted, and that the Director of Community and Human Development be authorized to make amendments to the policies and grant exceptions to the policies and procedures provided such exceptions do not violate any federal regulations and are made prior to the commencement of the 30 day public comment period for the adoption of the Annual Action Plan.

APPROVED this _____ day of _____, 2019.

CITY OF EL PASO:

Dee Margo
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Omar A. De La Rosa
Assistant City Attorney

APPROVED AS TO CONTENT:



for Nicole Ferrini, Director
Community and Human Development

2020-2021

CITY OF EL PASO

POLICIES + PROCEDURES, 46TH PROGRAM YEAR

Community Development Block Grant

Housing Opportunities for Persons with AIDS

Emergency Solutions Grant

Home Investment Partnerships Grant



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Assurances

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

Assurance C – Assurance of Compliance with Ordinance No. 9779

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

Attachments

Attachment A – General Completeness Checklist

Attachment B – Tentative Schedule for Upcoming Program Year

Attachment C – HUD Income Limits for Upcoming Program Year

Attachment D – Citizen Participation Plan

Attachment E – Citizen Request Form (English and Spanish)

Attachment F – Community Performance Standards

Attachment G – ESG Program Certification

Attachment H – ESG Written Standards Certification

Attachment I - Fair Housing Application

Attachment J – Faith-Based Organization Guidelines

Attachment K – HMIS Participation Standards

Attachment L – Letter of Intent for CDBG Services, Economic Development, HOPWA and ESG

Attachment M – Public Facilities Application

Attachment N – Volunteer Housing Rehabilitation

NOTE: Attachments are available upon request.

EXECUTIVE SUMMARY

The purpose of this document is to notify interested parties as to the availability of funding for projects, services and programs within the City of El Paso for 2020-2021 (46th Program Year). Additionally, it contains all of the policies and procedures pertaining to federal funding streams received by the City of El Paso from the Department of Housing and Urban Development (HUD). The Department of Community and Human Development (DCHD) oversees the planning, implementation and compliance of these streams on behalf of the City of El Paso. Those funding sources include:

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

The City of El Paso anticipates the total 46th Year entitlements to be approximately \$9.43 million beginning on September 1, 2020. Note that the federal entitlements shown in this document are projections and are subject to change. Final 46th Year entitlement allocations are pending Congressional approval of the HUD budget.

The following table shows the 46th Year projections that are based on an analysis of previous years' allocations:

Program	45 th Year Entitlement	46 th Year Entitlement Projection	Projection
CDBG	\$6,278,141.00	\$6,089,796*	3% Decrease
HOME	\$2,371,533.00	\$2,252,956*	5% Decrease
ESG	\$530,773.00	\$530,773.00*	Level Funding
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The City of El Paso has prioritized safe and beautiful neighborhoods, a vibrant regional economy and exceptional recreational, cultural and educational opportunities for all El Pasoans. Those priorities have been adopted by the City Council in the form of the El Paso City Strategic Plan. That plan identifies Goals, Actions and Tasks that make achievement of the City Vision possible. Projects, services and programs funded through CDBG, ESG, HOPWA and HOME should be supportive of the following strategic goals:

Goal 1: Create and Environment Conducive to Strong Sustainable Economic Development

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

Goal 3: Promote the Visual Image of El Paso

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

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

Goal 8: Nurture and Promote a Healthy, Sustainable Community

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

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

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

Applicants pursuing funding through the sources included in this document should first confirm eligibility with federal requirements, but should also illustrate alignment with identified city strategic goals. Details of the City Strategic Plan can be found at elpasotexas.gov/community-information/strategic-planning.

ACRONYMS + DEFINITIONS

Acronyms

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

Definitions

- **Community Based Development Organizations (CBDOs)** – Entities organized under state or local law to engage in community development activities in a specific geographic area within the community; Refer to the Economic Development section for more details on the characteristics a CBDO must exhibit.
- **Competitive set-aside** – grant categories that are open for agencies to compete for funding.
- **Entitlement grants** – are annual grants that are provided on a formula basis to entitled cities and counties.
- **Government entity** – means any branch, department, agency, or instrumentality of state government, or any official or other person acting under color of state law (e.g., school districts, public housing authority).
- **Letter of Intent** - is a document outlining the intended agreement between the agencies and City of El Paso before the actual agreement is finalized. This document is the first step in the CDBG public services, ESG and HOPWA program application process.
- **Recipient** – the City of El Paso DCHD who receives funds directly from HUD through an executed grant agreement.
- **Semi-automatic renewal** – categories that are closed to new agencies and in which current agencies do not have to reapply. Current agencies must be in compliance in order to be eligible for this type of renewal.
- **Sub-recipient agency** – agencies that receive funding from the Recipient (DCHD) and provides direct client services.

DEPARTMENT OF COMMUNITY + HUMAN DEVELOPMENT

The Department of Community + Human Development (DCHD) of the City of El Paso acts as the grantee for funding received from the US Department of Housing and Urban Development (HUD) for CDBG, HOPWA, ESG and the HOME Investment

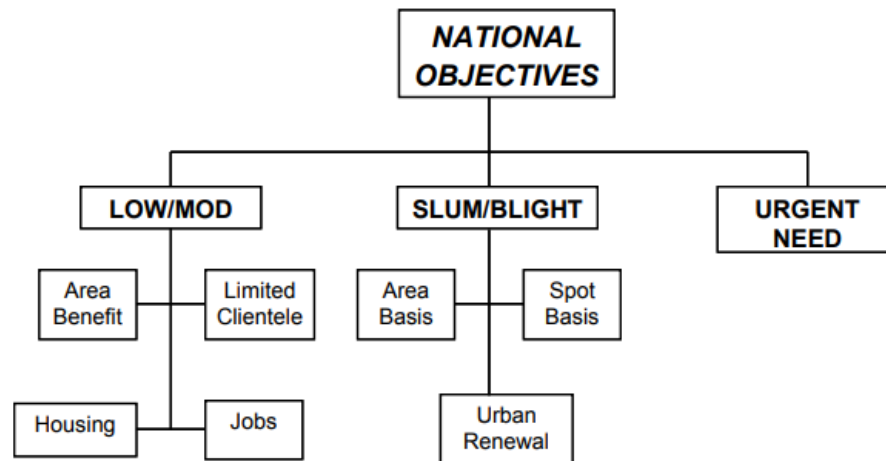
Partnership Grant. The role of DCHD staff is to administer the specific allocation of funding to sub-recipients as well as to execute and oversee compliance with federal regulations and the policies and procedures included in this document. Funding allocations are projections only and can be modified at the discretion of the Director of DCHD provided that such modifications do not represent a significant change in allocation priorities and/or method of distribution. Additionally, the Director of DCHD may grant exceptions to policies and procedures contained within this document provided that those exceptions do not violate federal regulations and are made for each program year prior to presentation of the Draft Annual Action Plan to City Council and commencement of the 30-day public comment period.

HUD NATIONAL OBJECTIVES

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

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

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



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

- **Low mod Area Benefit (LMA).** The area benefit category is the most commonly used national objective for activities that benefit a residential neighborhood. An area benefit activity is one that benefits all residents in a particular area, where at least 51 percent of the residents are LMI persons.
- **Low Mod Limited Clientele (LMC).** The limited clientele category is a second way to qualify specific activities under the LMI benefit national objective. Under this category, 51 percent of the beneficiaries of an activity have to be LMI persons.
- **Low Mod Housing Activities (LMH).** The housing category of LMI benefit national objective qualifies activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households.

- **Low Mod Job Creation or Retention Activities (LMJ).** The job creation and retention LMI benefit national objective addresses activities designed to create or retain permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LMI persons.

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

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

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

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

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

FEDERAL, STATE + LOCAL REQUIREMENTS

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

FEDERAL + STATE REQUIREMENTS

- **ADA and Historic Preservation.** Applicant must comply with all City Codes, including City, State and Federal Americans with Disabilities Act (ADA) and historic preservation requirements.
- **Authority to Apply** - Written minute action and/or Board approval documentation signed by the Board President authorizing submittal and signature of the CDBG application by Board President (or other authorized representative) must be submitted with the application.
- **Fair Housing Act** - Applicant must comply with the Fair Housing Act, Executive Order 11063 (Equal Opportunity in Housing), the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and Executive Order 11246 (Equal

Employment Opportunity). Agencies operating programs/services in CDBG-funded facilities, as applicable, will be required to develop and implement Affirmative Marketing policies and procedures, and shall assure housing shall be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

- **Faith-Based Organizations** - Faith-based organizations that are applying for funding must comply with HUD's Final Rule that became effective October 30, 2003, as amended. Refer to Attachment J of this document.
- **Lobbying** - Under section 1352, title 31, U.S. Code, no Federal appropriated funds may be paid or have been paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with Federal contract, grant, loan, or cooperative agreement, the applicant must complete and submit Standard Form-ILL, "Disclosure Form to Report Lobbying".
- **Persons Served**. Applicants are required to provide the number of persons served for each program or project that is awarded funding. For projects that exceed a year, this requirement applies to each program year.
- **Federal Procurement Guidelines**. Applicants must follow federal procurement rules, along with all applicable state and local requirements, when purchasing services, supplies, materials, or equipment with DCHD-awarded funding. Below is a summary of the most current federal procurement methods. Applicable federal regulations are contained in 2 CFR Part §200.320 Uniform Administrative Requirements.
 - **Sealed bids (formal advertising)**. This procedure should be used for all construction contracts or for goods costing more than \$100,000. Competitive sealed bidding requires publicly solicited sealed bids and a firm-fixed-price lump sum or unit price contract is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is lowest in price. The following requirements apply when this method of procurement is used:
 - **Publication Period**: The invitation for bids must be publicly advertised and bids solicited from an adequate number of suppliers. The publication should be published at least once in a newspaper of general circulation, providing sufficient time prior to bid opening. If the publication period is not of sufficient time to attract adequate competition, the bid may have to be re-advertised.
 - **Clear Definition**: The invitation for bids, including specifications and pertinent attachments, must clearly define the items or services needed in order for bidders to properly respond to the invitation.
 - **Public Opening**: All bids must be opened publicly at the time and place stated in the invitation for bids. The public is allowed at that time to review the bids.
 - **Selection and Contracting**: A firm-fixed-price contract award must be made by written notice to the responsible bidder whose bid, conforming to the invitation for bids, is lowest. Where specified in the bidding documents, factors such as discounts, transportation costs and life cycle costs must be considered in determining which bid is lowest.
 - **Rejection of all Bids**: All bids may be rejected when sound documented reasons exist. Such documentation shall be made a part of the files.
 - adequate number of qualified sources.
 - **Competitive proposals**. This procedure is used to purchase professional services where the total cost will exceed \$100,000. Under this procurement method, the applicant must publish a written request for submissions and then review these submissions based on established selection criteria; and the applicant must solicit proposals from an adequate number of qualified sources. There are two possible methods of soliciting proposals – a request for

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

- **Publication Period:** Proposals must be solicited from an adequate number of qualified sources and an advertisement must be published. RFPs/RFQs should be published in a sufficient timeframe before the proposals/qualifications are due.
 - **Clear Definition:** The RFP/RFQ must identify the general scope of work and all significant factors of evaluation, including price where appropriate, and their relative importance.
 - **Technical Evaluation:** The grantee must provide a mechanism for technical evaluation of the proposals received, determinations of responsible offeror and the selection for contract award.
 - **Award:** Award may be made to the responsible offeror whose proposal will be most advantageous to the procuring party, price and other factors considered. Unsuccessful offerors should be notified promptly. The contract can be either a fixed price or a cost reimbursement type.
- **Race and Ethnicity.** Applicants whose programs or projects qualify under the LMI national objective through the limited clientele category are required to provide race and ethnicity data for each person who is receiving direct assistance from DCHD-awarded funding.
 - **System of Award Management (SAM).** Applicants are required to submit a current verification from System of Award Management (SAM) clearing the agency of debarment from receiving federal funds. If considered for funding DCHD staff will verify compliance with this requirement prior to execution of any contract .
 - **Verification of non-profit status.** Non-profit agencies must submit the Internal Revenue Service (IRS) letter certifying their 501(c) (3) status and the completed and signed Assurance of Applicant Eligibility for Non-Profit Organizations on page. Refer to Assurance B of this document.
 - The following requirements/allowances pertain to service categories only:

Applicant is only required to submit Assurance B after its LOI has been approved and it has attended the mandatory workshop training where further instructions will be provided.

PERFORMANCE OUTCOMES

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

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

LOCAL REQUIREMENTS

- **Acceptance of Grant Conditions and Terms.** Applicant must submit with their application an Acceptance of Grant Conditions and Terms form signed by an authorized representative of the applicant. Refer to Assurance A of this document.
 - The following requirements/allowances pertain to services categories only:

- Applicant is only required to submit Assurance A after its LOI has been approved and it has attended the mandatory workshop training where further instructions will be provided.
- **Administrative Capacity.** Applicant must have demonstrated administrative and financial capacity to fully operate the project. A certified audit, covering a period ending on a date after January 31, 2018 must be submitted. This requirement may be waived for organizations or entities who expend less than \$750,000 in federal funds for the audited year. Awarded allocation of funds are distributed on a reimbursement basis. All agencies except City Departments that are receiving funds must demonstrate the financial capacity to pay any project-related costs, including design, construction and/or operating, for a period of at least three months prior to reimbursement.
- **Completeness Check.** Applications and supporting documentation must be turned in by the respective deadline in order to be considered for funding. All required supporting documentation must be attached to the application in order for it to be considered complete.
- **Compliance with Existing Contracts.** Applicants who are currently receiving CDBG funds and applying for additional funds must be in compliance with all terms of their contract, must not have any outstanding audit findings or monitoring findings as determined by the City or HUD, and must remain in good standing throughout the entire program year.
- **Conflict of Interest.** Applicant must not have an employee, officer, agent, or anyone who represents the agency in any capacity sitting as a member of the Community Development Steering Committee. Applicant must divulge if any member of their board is a City employee, so a determination may be made if a conflict exists. Conflict of Interest and all other provisions extend to partners and subcontractors as well.
- **HMIS Participation.** Applicants whose services, program and/or facilities project that will house or primarily serve the homeless population, must fully participate as an entity in the Homeless Management Information System (HMIS) for the full term of the established agreement. "Full participation as an entity" requires that all applicable programs, facilities projects and services operated and/or provided by the entity, regardless of funding source, be compliant with the Standards for Participation of the HMIS Lead Entity. The City will consult with the HMIS Lead Entity to determine compliance with this requirement.
- **Jurisdiction.** All programs, clients and/or improvements must be located within the city limits of El Paso, Texas for programs funded by CDBG, HOME and ESG. For HOPWA, all subsidized housing must be located within the County of El Paso, including the City of El Paso.
- **Ordinance 9779.** All facilities receiving funding from the City must be in compliance with Ordinance 9779, Non-Discrimination Against Persons with Disabilities. This means that the facility must be accessible for use by persons with disabilities in terms of employment and service, or have an approved transition plan, before the funding can be approved. As part of this requirement, applicants must submit the completed and signed Assurance of Compliance with Ordinance No. 9779, Accessibility/Letter of Assurance, and submit the completed Guidelines/Self-Evaluation for Community Development and City of El Paso Sub recipients. Refer to Assurance C and Assurance D of this document.
 - The following requirements/allowances pertain to service categories only:
 - Applicant is only required to submit Assurance C, Assurance D and the Guidelines/Self-Evaluation after its LOI has been approved and it has attended the mandatory workshop training where further instructions will be provided.
 - For projects with multiple service locations, an Accessibility/Letter of Assurance must be provided for each site.
- **Relocation Assistance.** In accordance with the City's Anti-Displacement Strategy, projects that involve the displacement of low- and moderate-income tenants should be avoided. If displacement is unavoidable, all tenants who are permanently or temporarily displaced as a result of a DCHD-funded project must be provided financial and advisory benefits as described in the Anti-Displacement Strategy. Tenants occupying a structure become eligible for these benefits at the time an application is submitted to the City. Applicants should consult with the DCHD staff if displacement or relocation is to occur to assure that this requirement is met and that adequate funds are included in the funding request.

- **Timeliness Test.** In order to comply with expenditure requirements enforced by HUD, all program year projects should be substantially completed by the end of the program year as stated under Executive Summary of this document.
- **Site Suitability.** Applicant must provide a Zoning Verification Letter provided by City of El Paso's Planning and Inspections Department (915) 212-0104, certifying the appropriateness of the zoning for the proposed project. Projects without the appropriate zoning at the time of application submission will be ineligible for funding.

A Zoning Verification Letter obtained within five (5) years from the start of the upcoming program year may be submitted with a cover letter signed by the Board Chair or Agency Director certifying that there have been no substantial changes in the program activities or the physical structure since the compliance letter was obtained.

- The following Zoning requirements/allowances pertain to service categories only:
 - Applicant is only required to submit a Zoning Verification Form after its LOI has been approved and it has attended the mandatory workshop training where further instructions will be provided.
 - For projects with multiple service locations, a single letter reflecting all addresses or a letter for each location will be accepted.
 - If the activities are not currently in compliance, the applicant may submit a written workout plan in lieu of the letter. If the applicant is in the process of working out zoning compliance issues, the application will be allowed to advance. However, full compliance must be achieved and a letter of compliance from the City of El Paso's Planning and Inspections Department must be submitted prior to the City Council public hearing introducing the Draft Annual Action Plan, which usually occurs in the month of May of the next calendar year.
 - Projects that have moved physical locations must obtain a zoning compliance letter for the new locations.
 - Projects located in Public Schools or City Parks Department facilities are not required to submit zoning letters.

TENTATIVE SCHEDULE

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

- Mandatory training workshops
- Application deadlines
- Public hearings
- Steering Committee meetings
- City Council meetings

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

PROGRAM REVIEW + SCORING PROCESS

MANDATORY TRAINING WORKSHOPS

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

TECHNICAL ADVISORY REVIEW PANEL

Technical Advisory Review Panels (TARPs) will be established to assist DCHD staff in the application review process. One panel is established for each category under CDBG Public Services, Economic Development, HOPWA and ESG; another panel will review proposed projects under CDBG Public Facilities. Below is a breakdown of each technical advisory panel:

CDBG PUBLIC SERVICES, ECONOMIC DEVELOPMENT, ESG + HOPWA*	CDBG PUBLIC FACILITIES*
City of El Paso Community + Human Development Staff	Combination of the following: <ul style="list-style-type: none">Community + Human Development staff;Representatives of City of El Paso departments that are not directly applying for funding (i.e., Capital Improvement Department, Planning and Inspections, Economic Development); andSubject Matter Experts (SME) such as an Architect, Engineer, Construction Management Expert, Facility Management Expert, etc.
Applicant from a different service category	
Member of another funding entity	
Subject Matter Expert (SME) in the service area being evaluated	
Community Development Steering Committee Member	

*** Staff will make every effort to establish panels with the composition described, however, substitutions may be made.**

CDBG PUBLIC SERVICES, ECONOMIC DEVELOPMENT, HOPWA + ESG

Applicants are required to submit a Letter of Intent (LOI) to determine if the project is feasible and meets all mandatory requirements. The deadline to submit the LOI is provided in the *Tentative Schedule for Upcoming Year* document. Refer to Attachment L for the LOI. DCHD staff will review submitted LOIs and invite those agencies whose programs qualify to a mandatory training workshop as described in the mandatory workshop training section of this document.

The full application, including all required modules, will be provided at the mandatory training workshop only to those agencies who are invited and attend.

A TARP will be established for each service category. The composition of the panel is described above. By submitting an application or accepting grant renewal, each agency agrees to volunteer to be a member of the review panel. Reviewers will be selected by DCHD staff, with a primary focus on selecting individuals having no relationship to any of the applicant agencies in the service category being reviewed. All reviewers will be required to sign a Conflict of Interest Disclosure affidavit. Upon review of the affidavit, DCHD staff will determine if a conflict of interest exists.

DCHD staff will determine the eligibility of each application. Thereafter, the TARP will perform a detailed review of each eligible proposal. This review will include but is not limited to:

- Past agency performance
- Proper completion of the application
- Community impact and community need
- Program eligibility according to federal regulations

The TARP will score each proposal using the provided scorecard attached to the CDBG application. Applications with a final score of 75% or higher will advance to the oral presentation phase of the grant application process. Applicants will receive the TARP's average score and comments prior to the oral presentation.

A maximum of ten points may be added to the agency's original score based on its presentation. Failure to provide a presentation will disallow an applicant to receive any of these ten additional points. Presentations will be open to the public, including other applicants, and will be limited to ten minutes. A question and answer period will follow each presentation. No client testimonials will be allowed which includes client, former client, or staff testimonials.

Technical review comments, in addition to the scoring tool comments, will be provided to the applicants and to the Steering Committee for their use in reviewing the proposals.

Full details of the TARP's average score will be made available upon request once all project recommendations letters are delivered.

Following the presentations, project recommendations will be developed as follows:

1. All attendees, except for TARP members and selected City staff, will be asked to exit the room after presentations have concluded. Applicants will be notified via written notification of the results once all service categories are reviewed.
2. Each TARP member will generate a proposed budget recommendation for each program based on their evaluation of the applications and presentations.
3. For each proposal, the written and oral score will be averaged to create the agency's final score, which will be used as a platform for the budget discussion.
4. DCHD Staff will present the final project recommendations to the CD Steering Committee for comment. DCHD staff may include staff comments along with the TARP recommendation. This information will be shared with the CD Steering Committee for review and discussion. TARP recommendations, DCHD staff comments, and CD Steering Committee comments will be presented to City Council.
5. All project recommendations and comments will be presented to City Council who has the ultimate authority on project selection.

CDBG PUBLIC FACILITIES

A TARP will be established to review project proposals submitted for public facilities funding under both the large-scale and small-scale project categories. The composition of the panel is described above, and the two facilities categories are further explained under the Public Facilities section of this document. The same TARP is intended to be used for both of the two facilities categories, however, substitutions of TARP members may occur due to each member's schedule and availability.

LARGE-SCALE CATEGORY

A TARP, consisting of DCHD staff and representatives from other City departments who do not directly apply for DCHD funding, reviewed fifteen large-scale project proposals in November 2018. Proposals were considered for funding for the 45th Year (2019-2020). Will also be assessed for the 46th Year (2020-2021). Below is a complete list of the projects that were evaluated:

LARGE-SCALE PROJECTS FOR 45 th AND 46 TH PROGRAM YEARS
YWCA – Shirley Leavell Branch Rehabilitation
Downtown Center for Civic Empowerment + Aztec Calendar Park Re-Design
El Paso Child Guidance Center – Center Renovation and Expansion

Opportunity Center for the Homeless – Women’s Resource Center Addition
COEP Parks and Recreation – Riverside Neighborhood Improvements
Opportunity Center for the Homeless – Offender Resource Center Construction
COEP Libraries – Clardy Fox Library Renovation and Expansion
El Pasoans Fighting Hunger – Food Bank Expansion
Emergence Health Network – Main Campus Renovation
HACEP Blue Flame Renovations
COEP Parks and Recreation – Hidden Valley Park Improvements
Centro San Vicente - Center Renovations
Project Vida - Multi-Family Rental Apartments
COEP Parks and Recreation - Memorial Dog Park Construction
COEP Parks and Recreation - Lionel Forti Parking Lot Expansion

The TARP’s evaluation was used in combination with a CD Steering Committee review and the results of a citywide polling campaign to generate a 45th Year budget recommendation, which was approved by City Council in July 2019. These same three components of evaluation will be considered when preparing a budget recommendation for the 46th Year. Refer to the Large-Scale Project Set-Aside portion of the Public Facilities section of this document for more information on the large-scale process.

SMALL-SCALE CATEGORY

DCHD will be accepting citizen requests for projects located in District 6 and District 7 for the timeframe stated in the *Tentative Schedule for Upcoming Year*. After collecting these requests, DCHD staff will review each submission to verify eligibility and feasibility, and will work with the community to garner a better understanding of the projects that are being proposed.

All qualified requests will then be forwarded to the appropriate City department or agency who are eligible to submit up to five applications per request source. These applications will then be evaluated by a TARP through the use of a scorecard. The TARP’s evaluation will be used in combination with the Steering Committee’s review to produce a funding recommendation.

STEERING COMMITTEE REVIEW PROCESS

The CD Steering Committee’s responsibility, as an advisory committee, is to review and provide comment on program recommendations made by DCHD staff. Any comments provided by the CD Steering Committee will be presented with the staff recommendation to City Council for ultimate approval.

- **Appeals and Grievances Subcommittee.** An Appeals and Grievances Subcommittee of the Steering Committee will be formed for the purpose of reviewing appeals from applicants whose projects are not being recommended for funding.

Before program recommendations are presented to the Steering Committee as a whole, the Appeals and Grievances Subcommittee is responsible for reviewing any petitions from agencies whose appeal requests have already been assessed by DCHD staff and considered unjustified. The Appeals and Grievances Subcommittee will review the validity of the appeal request and then prepare a recommendation for the Steering Committee. The Steering Committee as a

whole will then vote on approving or denying the appeal request. DCHD staff will take appropriate measures based on the Steering Committee's action.

Further information on the appeals and grievances process can be found below under the Appeals Process portion of this section of the document.

- **CDBG Services Categories, ESG and HOPWA.** A TARP for each category, comprised of service experts and one Steering Committee member, provides a recommendation to the Steering Committee for review and comment. A member of each category's TARP is to be present at the Steering Committee meeting in case a committee member has any questions regarding the process used to develop the program recommendation. The Steering Committee will review each category's program recommendation, and will agree upon a formal comment for each recommendation. These comments will be shared with City Council along with the recommendations.
- **CDBG Public Facilities.** In addition to a TARP review, the Steering Committee will also be given the opportunity to review project application submissions that have been submitted under public facilities funding prior to the formation of a staff recommendation. As part of the Steering Committee review process, public facilities applicants will be invited to present their proposals to the Steering Committee, and at that time address any questions the Steering Committee may have about the project requests. The Steering Committee may then discuss the project requests amongst themselves immediately after the presentations, and after doing so each member will be given the opportunity to submit an evaluation for each of the proposed projects. A compilation of Steering Committee member's review will then be used to generate a committee recommendation that in combination with other scoring components will be used to produce a staff recommendation.

This staff recommendation will be presented to the Steering Committee for comment, which can include concerns and/or preferences for a certain project(s). The staff recommendation along with any Steering Committee comments will ultimately be shared with City Council in the form of the Draft Annual Action Plan. The Draft Annual Action Plan is subsequently made available for public comment for a period of 30 days.

APPEALS PROCESS

Applicants may submit a valid appeal in writing to DCHD within seven (7) days of receiving notice that their application is not advancing to the next phase of the planning process. Appeals must be grounded on objective-based questions or requirements that pertain to the project evaluation forms.

After receiving an appeal request, DCHD staff will schedule, in a timely manner, a meeting with the applicant to discuss the appeal. If DCHD staff determines that the appeal is valid, corrective action will be made to the project evaluation form(s). If DCHD staff concludes that the appeal is invalid, applicant can dispute this claim with the Appeals/Grievance Subcommittee who will review the validity of the appeal request. The Appeals and Grievances Subcommittee's recommendation will then be shared with the Steering Committee who will vote on approving or denying the appeal request. Staff will take the appropriate measures based on the Steering Committee's outcome.

EXIT CONFERENCE

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

COMMUNITY DEVELOPMENT STEERING COMMITTEE

The Community Development Steering Committee is a group of nine citizen volunteers who are an essential part of the planning process. The composition of the Steering Committee is representative of the population directly served by these funding sources, supplemented by individuals possessing key areas of professional expertise. The following table details the requirements for appointment to the Community Development Steering Committee.

CD Steering Committee Composition:	
1	One member must qualify as a person of presumed benefit under HUD guidelines.
2	One member must reside in a low to moderate income area based on the 2010 US Census.
3	One member must demonstrate knowledge or have experience in business and/or economic development.
4	One member must have prior experience sitting on a board.
5	One member must demonstrate experience in the public service sector, such as working with a non-profit or other service provider.
6	Two members must have experience in one of the following: construction, facilities management or maintenance, public housing.
7	
8	Two open spots for any interested community member who will be evaluated and selected based on application and qualifications.
9	
Requirements for All Members:	
	Are appointed by Mayor and City Council
	Must live in the district they represent, except for Mayor's appointment.
	Serve two-year terms; two-term limit.

For further details regarding the Steering Committee, refer to the Citizen Participation Plan (Attachment D).

CITY COUNCIL

City Council retains the ultimate authority regarding funding for projects and programs indicated in this document. Recommendations initiated by DCHD Staff and a designated technical advisory review panel are presented in draft form to City Council alongside comments and preferences of the Community Development Steering Committee. That document is known as the Draft Annual Action Plan. Upon receiving initial feedback from City Council, a 30-day public comment period is initiated during which all community feedback is documented and considered for incorporation into the final Annual Action Plan. The Final Annual Action Plan must be submitted for approval by City Council prior to HUD deadlines for the program year. The Final Annual Action Plan must be submitted to HUD 45 days prior to the commencement of the upcoming program year.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

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

PUBLIC SERVICES

The public services category of CDBG is intended to maximize outcomes in our community based on identified needs of vulnerable populations. Public Service programs should aim to respond to emerging community need and/or expand services for an existing need as well as attempt to align and enhance other CDBG and locally funded activities. The City of El Paso through both its Strategic Plan and Resilience Strategy have prioritized the following as critical needs in our community:

- Achieving functional zero homelessness for the chronically homeless and for homeless veterans
- Increasing access to support services resulting in increased preparedness for the most vulnerable in our community
- Increasing resources for financial empowerment of low to moderate income El Pasoans emphasizing financial stability and resilience, entrepreneurship, education and workskills development
- Increasing access to high quality youth programs that expand access to education, health and personal development opportunities
- Increase access to high quality programs that enhance quality of life for seniors and disabled El Pasoans by supporting self-sufficiency as well as physical, cultural and social well-being.
- Increase access to high quality programs that enhance the quality of life and promote health through the provision of mental health services.

Each year, DCHD solicits funding proposals from interested public and non-profit entities for the use of CDBG funds for public service programs. Federal regulations stipulate that a maximum of 15% of the annual CDBG funding may be allocated to public services for an estimated amount of \$1,003,469 available for Public Services programs in the upcoming year.

SERVICE CATEGORIES

Applicable service categories provide improved access to a suitable living environment by providing a comprehensive range of services for those of low-to-moderate income and of presumed benefit. \$245,000 of CDBG funding is reserved for five competitive set-aside programs: First Time Homebuyer Counseling, Innovative Program Incubator Initiatives, Youth Summer Program, Youth Recreational Afterschool Program, and the Senior + Disabled Physical Recreational Program. The remaining funds are distributed evenly across four Service Categories at 25% each. DCHD expects to allocate approximately \$1,003,469 for public service programs, including the five competitive set-asides. Below is a breakdown of the expected public service allocation:

PUBLIC SERVICES	
Services Categories (15% of CDBG Entitlement minus \$245,000)	\$758,469
Children and Youth Services	\$189,618
Seniors and Persons with Disabilities Services	\$189,617
Homeless, Emergency Shelter & Housing Services	\$189,617
Mental and Medical Health Services	\$189,617

Competitive Set-Asides	\$245,000
First Time Homebuyer Counseling	\$40,000
Innovative Program Incubator	\$80,000
Youth Summer Program	\$65,000
Youth Recreational Afterschool Program	\$30,000
Senior + Disabled Physical Recreational Program	\$30,000
NOTE: Entitlements allocations are projections, and are subject to change.	

Applicants must select the category of service under which the application will be submitted and participate in the applicable service category. A change in category will not be accepted after the proposal deadline. The four Service Categories, described in detail below are:

- Children + Youth
- Seniors + Persons with Disabilities
- Homelessness, Emergency Shelter + Housing
- Medical + Mental Health

CHILDREN + YOUTH

Priority will be placed on education and personal development for children and young people, including those with special needs, through projects that:

- Provide safety net services and offer family security such as after-school programs, gang prevention activities, drug awareness and treatment projects, specialized services for foster children, court advocacy, and supportive services for basic needs such as clothing in the least restrictive, most inclusive environment.
- Enhance education through career awareness programs, tutoring, apprenticeship, job training and preparation, and intergenerational mentoring.
- Offer supervised and structured personal development through licensed childcare, diverse education, recreation, community improvement and physical and mental health programs.

SENIORS + PERSONS WITH DISABILITIES

Priority will be given to making El Paso a great place to live for seniors and persons with disabilities through the provision of services that:

- Provide safety net services such as meal programs, adult day care, adequate shelter and other services that promote independence and accessibility.
- Promote healthy lifestyles that include cultural and social activities and provide access to health care and end of life services.
- Offer opportunities that re-invest seniors' experience and wisdom in post-retirement employment, volunteerism, mentoring, participation in apprenticeship programs, and other community-enhancing activities.

- Offer specialized education and awareness, which promote health and welfare issues for seniors and persons with disabilities.

HOMELESSNESS, EMERGENCY SHELTER + HOUSING

Support the work of the Continuum of Care in their mission to provide a seamless continuum of care with a strong focus on crisis response safety net services and eventual independence through projects that:

- Provide crisis response services including emergency shelter, transitional housing, special needs housing, and supportive services for basic needs that lead to self-sustainability.
- Offer job training, preparation, education, and support services to obtain and sustain employment for economic security.
- Promote community collaboration which advance “Home, Together: The Federal Strategic Plan” to prevent and end homelessness.

MEDICAL + MENTAL HEALTH

Priority services are mental and medical health treatment services including primary, preventive, acute, restorative, chronic and end of life services which are provided in accordance with professionally accepted standards of practice provided in the least restrictive environment.

- Provide individuals with medical and mental health care and promote health and long-term self-sustainability.

FIRST TIME HOMEBUYER COUNSELING

First Time Homebuyer Counseling is a homebuyer educational training program provided by a HUD-approved counseling agency for clients who desire to participate in the City’s First Time Homebuyers Program funded through the HOME Investment Partnership program, which assists low- and moderate-income individuals and families in achieving their goal of homeownership. Homebuyer education classes to be conducted under the FTHB are to include, but are not limited to: preparing for homeownership, available financing, credit analysis, loan closing, homeownership responsibilities, home maintenance, and loan servicing.

The First Time Homebuyer Counseling Training Program is funded as a \$40,000 competitive set-aside.

INNOVATIVE PROGRAM INCUBATOR

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

The Innovative Program Incubator is funded as an \$80,000 competitive set-aside. Two programs are awarded \$40,000 each, however; DCHD may redistribute partial or whole funding to one or more CDBG Public Services categories if the department does not receive applications for two incubator programs that are responsive to the objective of the set-aside. Incubator grant projects do not have to fall within the designated Service Categories, but they must meet DCHD Public Services guidelines.

New or existing agencies can apply, but the program itself must be new and must not have received funding in any previous CDBG funding cycles.

YOUTH SUMMER PROGRAM

The Youth Summer Program competitive set-aside in the amount of \$65,000 provides funding for recreational, fine arts, and social activities that will be provided for youth who have been determined eligible based on their family's income. Examples of eligible activities include arts, crafts, field trips, sports, and other educational health and recreational activities.

This program falls under the Children + Youth service category and as such must comply with this category's objectives and goals. This set-aside is intended to fund programs that are offered during the summer months (i.e., May through August). It is important for applicants to understand that all funding must be spent in a timely manner during the short timeframe, and for applicants to provide realistic program performance units.

YOUTH RECREATIONAL AFTERSCHOOL PROGRAM

The Youth Recreational Afterschool Program is funded as a \$30,000 competitive set-aside, which provides recreational, fine arts, and social activities for youth aged 5- 19 who have been determined eligible based on their family's income. Examples of eligible activities include sports, educational, cultural, recreational, fine arts and social activities.

This program falls under the Children + Youth service category and as such must comply with this category's objectives and goals. Programs under this category should enhance personal development through structured and leisure activities in a safe, supervised environment.

SENIORS + DISABLED PHYSICAL RECREATIONAL PROGRAM

The Seniors + Disabled Physical Recreation program set-aside in the amount \$30,000 provides funding for an extended level physical activities program for adults who meet the definition of severely disabled or who are elderly (aged 62 and older). Potential programs should offer a wide variety of physical structured activities, as well as cultural and social activities in a suitable living environment. Examples of such activities are aerobic exercise and bowling.

This program falls under the Seniors + Persons with Disabilities service category and as such must comply with this category's objectives and goals.

FUNDING CYCLE

The 2020-2021 program year will continue on a two-year funding cycle. This year's competition will include the Children + Youth and Seniors + Persons with Disabilities categories. Projects funded under the Medical + Mental Health and Homeless, Emergency Shelter + Housing service categories have received a one-year contract in the ongoing 45th Year with a semi-automatic renewal for the upcoming 46th Year. Below is a summary of the 46th Year funding cycle:

CATEGORIES OPEN FOR COMPETITION		CATEGORIES WITH SEMI-AUTOMATIC RENEWAL*	
Children + Youth	Seniors + Persons with Disabilities	Medical + Mental Health	Homeless, Emergency Shelter + Housing

*Programs have received a one-year contract for the ongoing program year with a semi-automatic renewal for the following year.

Semi-automatic renewal will not be based on an amount of funding, but rather a percent of funding proportional to the upcoming program year. For example, if an applicant is awarded an amount equal to 5% of their service category's allocation in the first year, the renewal amount would be for 5% of the second year's category award. This could result in an increase or a decrease. Contract goals will be adjusted proportionally. The conditions for grant renewal are:

- Documented achievement of contract goals.
- Grantee must be in good standing prior to their previous contract with the City of El Paso. Refer to other project compliance + implementation requirements below.

PROJECT ELIGIBILITY + PERFORMANCE

TYPES OF ELIGIBLE SERVICE PROGRAMS:

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

OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **Amendments.** Contract amendments will not be allowed 45 days or less before the contract ends, unless an exception is granted under extenuating circumstances by the DCHD Director.
- **Budget Modifications.** If an award is granted, the City's prior written approval will be required for any changes exceeding 10% within the consultants' line item.
- **Duplicate Submittals.** The same exact project proposal cannot be submitted under more than one category.
- **Emergency Shelter Funding.** Agencies may apply specifically for "Emergency Shelter" component funding from both the Emergency Solutions Grant and the Community Development Block Grant. However, funding may only be awarded from one of those entitlement grants.
- **Financial Capacity.** CDBG funds are distributed on a reimbursement basis. All agencies receiving funds must demonstrate the financial capacity to fully operate the proposed project for a period of at least three months prior to reimbursement. Applicants will be required to provide verification of three months of capital for sustainability of their public service program.
- **Funding Allocation.** Minimum funding for any project will be \$40,000.
- **Multiple sites.** Each physical location where funded services are provided is considered to be a separate activity. Any project that provides services in more than one location must complete an Activity/Partner Supplement for each site. The budgets for combined sites or activities must align with the budget for the overall project.
- **Partnerships.** Applicants must state in their Letter of Intent (LOI) that they plan to partner with another agency. The identification of the partnership and plan of action for the partnership must be outlined in the full CDBG application when it is submitted to DCHD.

If any portion of the project will be carried out by a partner, contractor, consultant or other third party, the Activity/Partner Supplement of the application must be completed reflecting the role of the partner. This supplement will be provided as a module within the application.

- **Program Scope + Eligibility.** Applicants may submit more than one proposal that offers different services within a single service category or in more than one service category. However, the project cannot provide the same services as another proposal, or provide services to clients during the same time period that they are being served by another City-funded project. Each proposed project must be clearly defined and easily differentiated from the others. Proposals cannot be dependent or subsidiary to another proposal.
- **Required Cash Match.** Up to 90% of the program cash cost may be requested from DCHD. The remaining 10% of the project cost must be secured from a non-CDBG or non-ESG source. Funded applicants will be required to annually report sources and amounts of all funds expended on the program, and to demonstrate compliance with the 90% cap.
- **Staff hours.** The City will only reimburse applicants for staff hours that are spent on direct services funded by CDBG to eligible clients.
- **Subsidiary Projects.** Projects that are dependent or subsidiary to one another should be submitted as a single project.

PERFORMANCE UNITS

Applicants should have the capability to track their project outcome(s) over time and report on results if the project/activity is eventually funded. Projects funded will have a contractual obligation to meet projected outcomes. Further technical assistance on this subject will be provided to funded agencies.

ECONOMIC DEVELOPMENT

The City of El Paso has prioritized the creation of an environment conducive to strong, sustainable economic development. As a part of that strategy emphasis has been placed on definition of workforce needs, activation of local educational resources and connecting all El Pasoans to the opportunities offered by our bi-national metroplex. Small business creation, retention and expansion, alongside micro-enterprise development and job training programs, are all supportive of broad based expansion of prosperity for this community, specifically the most vulnerable.

To that end, the City of El Paso will set aside \$90,000 to fund one sub-grantee to administer either an economic development technical assistance project or job training and education project with CDBG funds. Applicants are encouraged to submit projects that support one or all of the aforementioned goals while maintaining compliance with federal guidelines and HUD national objectives.

SERVICE CATEGORIES

MICROENTERPRISE

The City of El Paso is requesting proposals from qualified agencies that can provide business management and other technical assistance services to microenterprises or persons developing a microenterprise within the El Paso City Limits.

Technical assistance services can include, but are not limited to, the following:

- How to Expand an Existing Business
- How to Start a New Business
- Marketing and Sales Development
- Advertising and Promotion Development

- Business Research and Planning
- General Business Management
- Capital Formation and Business Loans
- Computerization for a Microenterprise

DEFINITIONS

- **Microenterprise** – a business having five or fewer employees, one or more of whom owns the business.
- **Person developing a microenterprise** – any person who has expressed an interest and who is, after an initial screening, expected to be actively working towards developing a business that is expected to be a microenterprise at the time it is formed.

ELIGIBILITY

The following types of microenterprise businesses are eligible for assistance under CDBG Economic Development Technical Assistance:

- **Community Based Development Organization (CBDO).** Organizations applying must qualify as CBDO under the regulations of 24 CFR Part 570.204.
 - In order to qualify as a CBDO, an organization must have the following characteristics:
 - Is organized under state or local law to engage in community development activities in a specific geographic area within the community;
 - Has as its primary purpose the improvement of the physical, social, economic environment of its service area by addressing one or more critical problems in the area, with particular attention to the needs of LMI persons;
 - If a for profit organization, the profits to shareholders or members must be incidental to its operations;
 - The governing body's membership consists of 51 percent LMI residents of its service area or owners or officers of entities located in the service area or representatives of LMI organizations in the service area;
 - Is not an agency or instrumentality of the grantee, and no more than one-third of the board is elected or appointed public officials or employees of the grantee; and
 - The governing body is nominated by the general membership of the organization.

For further details on CBDOs refer to 24 CFR Part 570.204 for federal regulations.

- **Low- to Moderate- Income (LMI) Area Benefit.** The microenterprise provides services to a specified residential area of which at least 51% of the residents of the area are L/M income residents.
- **LMI Limited Clientele.** The person owning or developing a microenterprise is an LMI person.
- **LMI Jobs.** The microenterprise focuses on the creation or retention of jobs, 51% or more of which will be filled by LMI persons.

MICROENTERPRISE TECHNICAL ASSISTANCE PROJECT DESIGN

The service provider shall follow the project design guideline described below in providing technical assistance to CDBG eligible microenterprises. There are several key steps in setting up a microenterprise or small business development program. These include:

- Definition of program goals.

- What achievements will be accomplished by setting up a micro or small business program?
- How to integrate your small business development efforts with larger community concerns?
- Will this create jobs, service businesses, or generate more income in a specific area?
- Identify and research the target market.
- What is the geographic area that will be served?
- What kinds of industries/businesses are needed to improve the community?
- What models to adopt (location, population, industry, or maybe a combination of these models)?
- What organizations can train and support businesses in underserved market segments?
- Some topics that may be considered are: self-esteem building; skill development; and training in accounting, budgeting, financial management, marketing, sales, planning, technology, etc.
- Teach applicants how to write a business plan and present a loan application.
- Small business development centers (SBDCs), community colleges, and others may already offer supporting services such as business planning, so do not duplicate available services.

Conduct Outreach to Market and Recruit Microenterprises

The service provider will be responsible for marketing the microenterprise assistance project to residents of the City of El Paso. These marketing efforts could include, but are not limited to, the following: digital or direct mail contact, personal presentations to microenterprises or business group settings, social media, and referrals from other agencies. Such recruitment will not be billable under this grant, as only direct services to businesses documented as eligible may be billed.

Individual Business Assessment

The service provider shall conduct an individual business assessment prior to the initiation of technical assistance to the microenterprise that will determine the needs and the level of need required by the microenterprise. Based on the results of the assessment, the prospective microenterprise should be able to obtain the appropriate management and technical assistance or business-training needed. If for any reason, the level of expertise needed by the microenterprise to be assisted is beyond the capabilities of the applicant to provide, the applicant may solicit the services of a professional technical assistance provider(s) to provide the technical assistance to the participating microenterprise.

A microenterprise technical assistance plan will be designed based on the information obtained from the individual business needs assessment. Part of the technical assistance plan is to include an implementation phase establishing individual microenterprise goals and objectives, and a time frame for each of these to be accomplished. During the assistance/training period, the service provider must provide documentation to the Department of Community and Human Development.

JOB TRAINING

ELIGIBILITY

Job Training is eligible for assistance under CDBG Economic Development Technical Assistance in a number of ways:

- As a public service
- As part of a special economic development project or as part of microenterprise technical assistance;
- By a community-based development organization; or
- By job creation

Additionally, the following eligibility requirements apply under CDBG Economic Development Technical Assistance:

- **Low- to Moderate- Income (LMI) Area Benefit:** The microenterprise provides services to a specified residential area of which at least 51% of the residents of the area are L/M income residents.
- **LMI Limited Clientele:** The person owning or developing a microenterprise is an L/M income person.
- **LMI Jobs:** The microenterprise focuses on the creation or retention of jobs, 51% or more of which will be filled by L/M income persons.

JOB TRAINING PROJECT DESIGN

Job training and education involves providing skill-building classes to employees or potential employees and can be an important part of an economic program. This is particularly true given the City of El Paso's efforts to prioritize financial empowerment specifically for vulnerable populations. Efforts to assist community members in reaching sustainable levels of financial stability through education and opportunities for smooth transitions into new areas of expertise, certification and work skills development.

A job training program's success depends upon meeting the needs of the people it serves. Many models have proven successful when used in the correct context. For example, if a significant number of people in a particular area are high school graduates but do not have the skills needed to obtain jobs in their community, a classroom-based job training program may not be effective. On the other hand, on-the-job training will allow participants to obtain necessary skills, as well as form professional relationships with employers, thereby improving their long-term job prospects. Below are examples of job training activities that are eligible for assistance under CDBG Economic Development Technical Assistance:

- **Job search assistance** – staff assist clients in conducting a focused job search, including interviewing skills, resume development, and employer referrals. This approach can make finding a job easier and faster for the client;
- **Short-term classroom training** – program participants attend a 3- to 6-month classroom style training focused on development of specific technical job skills or general education. Afterward, they may be offered job search assistance;
- **Long-term classroom training** – continuing education (community college, university) to enhance the employability of a low/moderate-income individual; and
- **Subsidized employment** – public subsidies are given to a private-sector employer to hire and provide on-the-job training to disadvantaged individuals.

Job training program evaluations have shown that a combination of work experience and education is often more effective than any single strategy.

Critical Elements of Successful Job Training Programs

When creating a job training program, the steps illustrated below are recommended by HUD as beneficial to program success:

- Conduct a needs assessment;
- Determine the needs of local residents who are unemployed, underemployed, or welfare- to-work candidates. Assess their level of education and job skills (educational level, previous work experience, interests, and ambitions);
- Many job-training programs tend to work only with the most job-ready candidates; special efforts should be made to include the most disadvantaged;
- Identify economic sectors with the greatest employment opportunities;
- Identify which industries provide the greatest employment opportunity in the region

- Reviewing different trade journals or contacting industry-specific trade associations. Associations may be central sources of information on industry hiring needs. Business journals often print the top employment sectors in the city;
- Researching recent economic data at the local library and on the Internet; and
- Conducting a telephone survey of employers in different sectors to identify hiring needs
- Form partnerships between employers, residents, service agencies, and community institutions
- Work with local employers to identify their needs. If possible, link the training program to employers' own search and recruitment efforts;
- Promote employer "ownership" by encouraging their input into the design and content of the program;
- Work toward the ultimate goal of job placement, in which employers agree to place graduates of the training program within their organization. A guaranteed job also gives the trainees a greater incentive to remain in the program.
- Address barriers to employment;
- Some common barriers to employment are childcare, transportation, and healthcare.
- Analyze why other programs in the area have failed (e.g., because most participants in the program were single mothers with no means of childcare).
- Partner with agencies to provide services that address these needs (childcare, transportation, etc.).
- Have counseling readily available before, during, and after job training and placement.
- Develop "soft skills" training;
- In addition to providing job skills training, there should be counseling and/or classes teaching self-esteem building, how to take constructive criticism, getting to work on time, dressing professionally, interviewing, and resume writing. This will improve the participants' chances of obtaining a job. Often times an employer is willing to provide job skills training and simply seeks people who are job ready and have a good work ethic and attitude.
- Create a flexible program.
- Define performance measures. Key performance measures include job readiness, training and retention
- Consider other sources of funding. It is likely that CDBG funds will not completely support the job training program, and the program will have to use other grants and loans from a variety of sources. Some other funding sources to consider are:
- Local Private Industry Council (PIC) or Workforce Development Board. These agencies receive 85 percent of the Welfare to Work grants from the Department of Labor. Inquire as to what their plans are for the area and how they are planning to spend the money;
- Other foundation grants; and
- Other Workforce Investment Act (WIA) grants from the U.S. Department of Labor or the State.

PROJECT ELIGIBILITY + PERFORMANCE

Below are the applicants eligible to apply for funding under the Economic Development service category:

- Non-profit Agencies (with non-profit tax-exempt status under Section 501(c)(3) of the Internal Revenue Service Code at the time of application)
- Public Agencies (e.g. school district)

Applicants will be required to submit an LOI and attend a mandatory workshop. The LOI must be submitted prior to the mandatory workshop (refer to Attachment L for the LOI). The deadline to submit the LOI and the date for the mandatory workshop training are provided in the *Tentative Schedule for Upcoming Year*.

OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **Applicant Capacity.** In the CDBG application the applicant agency must describe the agency's previous experience implementing projects similar to the one being proposed.
- **Required Cash Match.** Applicants must provide a cash match equal to 10% of the total project cost from a non-CDBG funding source. Evidence of the availability of the other funding source(s) must be presented with the CDBG application.
- **Schedule.** Applicants must provide with the application a proposed project timeline outlining the milestones that must be achieved in implementing the project from beginning to end, and setting a time period for each milestone to be completed.

PUBLIC FACILITIES

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

DCHD is soliciting funding proposals from interested City departments, non-municipal government entities and non-profit agencies for the use of CDBG funds for public facilities improvements. Funding for each program year will be set aside in two categories, Large-Scale Projects and Small-Scale Projects, in order to achieve high impact for community wide projects as well as increase our ability to address key areas of neighborhood concern and be responsive to residents. \$1,000,000 will be set-aside for small-scale projects that will provide funding to two targeted districts, while the remaining funds will be allocated to public facilities improvements for large-scale projects. Below is a summary of how projected funding for public facilities will be allocated for the 46th Year:

Public Facilities	
Large-Scale Projects – Citywide (Public Facilities Allocation minus Small-Scale Set-Aside)	\$2,778,368
Small Scale Projects Set-Aside (For Two Targeted Districts)	\$1,000,000
NOTE: Entitlements allocations are projections, and are subject to change.	

PROJECT SELECTION + REVIEW PROCESS

A primary step in the public facilities review process is determining CDBG-eligibility, which means that each accepted proposal must meet one of HUD's national objectives. The area benefit category is the most commonly used national objectives for public facility projects that benefit a residential neighborhood. To qualify under this category, at least 51 percent of the residents from a particular area must be LMI persons. The limited clientele category is a second way to qualify public facilities projects under the LMI benefit national objective. Under this category, 51 percent of the beneficiaries of an activity have to be LMI persons. In contrast to the area benefit category, it is not the LMI concentration of the service area of the activity that determines whether the activity will qualify or not, but rather the actual number of LMI persons that benefit from the activity. Further information on HUD's national objectives can be found under the HUD National Objectives section of this document and are also contained in CFR 570.208 (a)(1) and 570.208 (a)(2).

LARGE-SCALE PROJECT SET ASIDE

Large Scale Projects are those that have an estimated funding request of more than \$500,000 and less than \$3 million. Project scope should indicate high community impact, benefit for low to moderate income and/or presumed benefit populations, and

strategic alignment with identified City goals and priorities. Projects with an estimated budget exceeding \$3 million dollars are also eligible to apply with the intention of utilizing CDBG funding as supplemental to the overall project budget.

The large-scale project set aside has been created in order to better leverage community investments to achieve greater performance outcomes across the community, but especially for vulnerable populations.

For the 45th Year, a TARP and the CD Steering Committee evaluated fifteen project proposals under the large-scale project set-aside. Upon completion of review, the top ten projects were presented to the public through a citywide polling campaign, which provided the opportunity for community members to provide their feedback on which large-scale projects should be recommended for funding.

These three components, the TARP review, CD Steering Committee review, and polling campaign results, were used in combination to produce a compiled ranking. The results of the compiled ranking were then directly used to produce a budget recommendation, where the top-ranking projects were recommended for funding in the 45th year.

The following table lists the fifteen project proposals that were scored by the TARP and CD Steering Committee, the top ten projects that were presented to the community as part of the polling campaign, and the three projects that City Council approved for funding for the 45th Year.

LARGE-SCALE PROJECTS FOR 45th AND 46TH PROGRAM YEARS	Projects Presented for Polling Campaign	45th Year Funded Projects
YWCA – Shirley Leavell Branch Rehabilitation	X	X
Downtown Center for Civic Empowerment + Aztec Calendar Park Re-Design	X	X
El Paso Child Guidance Center – Center Renovation and Expansion	X	X
Opportunity Center for the Homeless – Women’s Resource Center Addition	X	
COEP Parks and Recreation – Riverside Neighborhood Improvements	X	
Opportunity Center for the Homeless – Offender Resource Center Construction	X	
COEP Libraries – Clardy Fox Library Renovation and Expansion	X	
El Pasoans Fighting Hunger – Food Bank Expansion	X	
Emergence Health Network – Main Campus Renovation	X	
HACEP Blue Flame Renovations		
COEP Parks and Recreation – Hidden Valley Park Improvements	X	
Centro San Vicente - Center Renovations		
Project Vida - Multi-Family Rental Apartments		
COEP Parks and Recreation - Memorial Dog Park Construction		
COEP Parks and Recreation - Lionel Forti Parking Lot Expansion		

DCHD expects to transition to a two-year funding cycle for large-scale projects beginning in the 47th Year. This 46th Year serves as a bridge year where the remaining seven large-scale projects from the 45th Year will be reevaluated based on an updated scorecard. The polling campaign results from the 45th Year will be used as a third of the ranking of projects. The

reevaluation of the projects by the Steering Committee and Technical Advisory Review Panels will serve as the remaining two-thirds. All three components will be used to produce a budget recommendation that will be presented to City Council for final approval.

SMALL-SCALE PROJECT SET ASIDE

Small Scale Projects are those that have an estimated funding request between \$10,000 and \$500,000. This category has been created to address neighborhood scale needs and respond to citizen-generated concerns. Two districts are targeted annually. The City policy of targeting needs district-by-district in annual cycles allows for neighborhood improvements focused on the immediate needs of residents. Below are the two districts that will be targeted for the 46th Year:

TARGETED DISTRICTS*	
City District #6	City District #7
*Allocation per targeted district may vary depending on the number of feasible CDBG-eligible projects located in a district.	

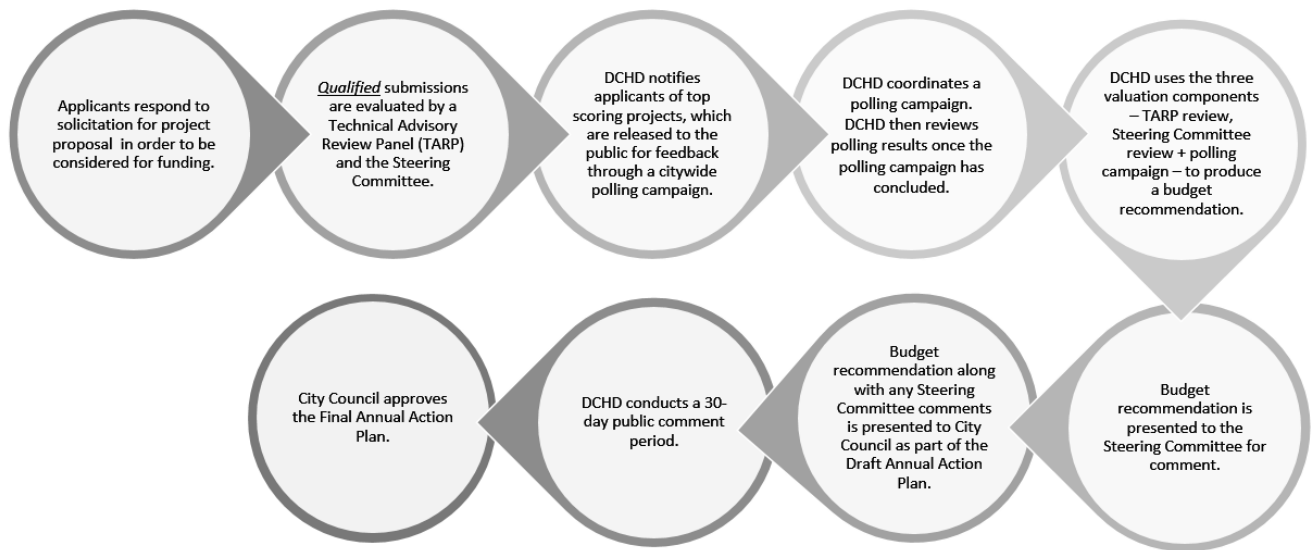
The Small-Scale Project set aside is intentionally structured to act as a compliment to the City of El Paso Neighborhood Improvement Program, also administered by DCHD. Examples of small scale projects include, but are in no way limited to:

- Accessibility improvements
- Existing facility improvements and upgrades (i.e., roof repair, restroom upgrades, interior finish improvements, landscaping upgrades)
- Playground equipment
- Shade structures

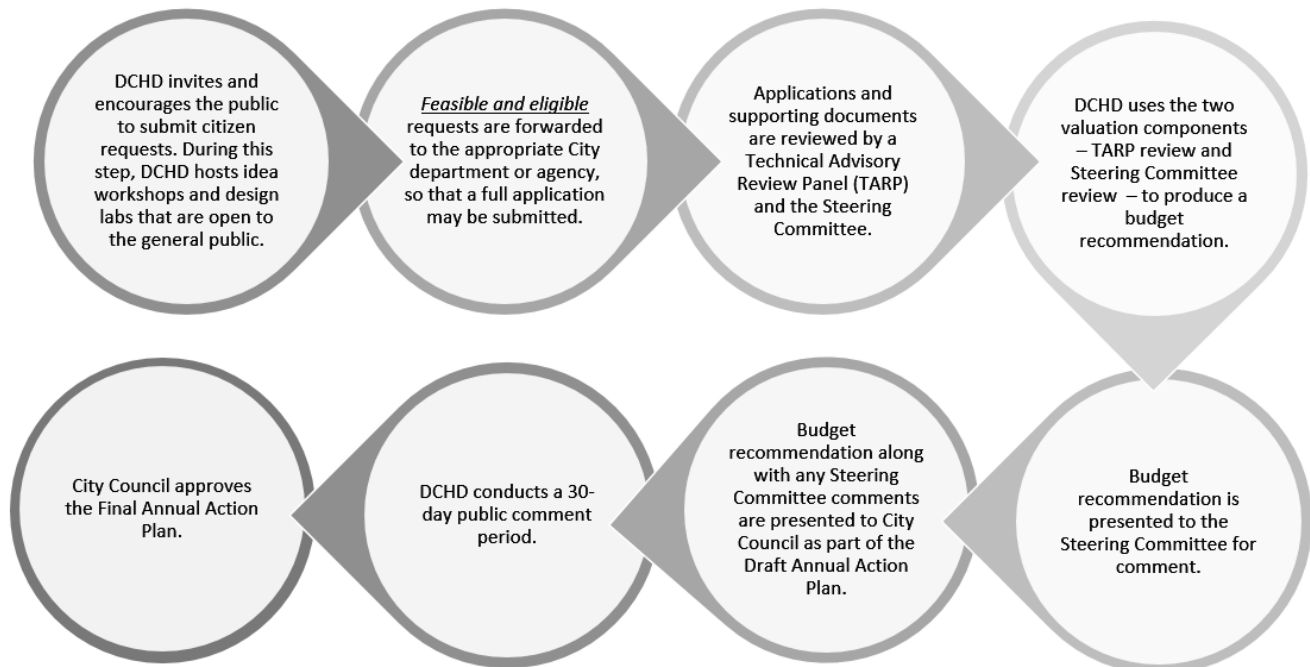
PROJECT SUBMISSION + REVIEW PROCESS

The timeframe for application submission and staff review varies on whether the project falls under the large-scale or small-scale category. DCHD has provided a *Tentative Schedule for Upcoming Program Year* to indicate the tentative dates for the small-scale public facilities process. Note that proposals under the large-scale project set-aside are not currently being accepted as the 46th Year is the second year of this two-year funding cycle. Below is the overall process for each of these categories.

- **Large-Scale Project Selection Process.** The following chart explains the process that was used to evaluate large-scale project proposals that were considered for 45th Year funding and will be reconsidered for 46th Year funding.



- **Small-Scale Project Selection Process.** The following chart explains the process that will be used for the small-scale project set-aside for 46th Year funding.



PROJECT APPLICANTS

DCHD is accepting applications for public facilities improvements from three groups – City departments, non-municipal government entities and non-profit agencies. Each applicant may submit a maximum of five small-scale projects per request source. For example, a City Department can submit up to five applications that have been selected internally, and another five applications that originate from citizen request forms. In this case, ten applications can be submitted in total. The following are acceptable request sources – citizens, City Council members, registered Neighborhood Associations, and internal requests by the user City department or agency. Note that requests, regardless of source, must be vetted and ultimately submitted as an application by the user City department or agency.

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

MUNICIPALLY OWNED PROJECTS

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

- **Availability of Operating Funds for New Construction or Expansion Projects.** For projects involving new or expanded public facilities, if additional staff or additional operation and maintenance (O&M) funds will be required, applicants must submit a written commitment from the appropriate City officials (i.e., Department Director, Department Financial Manager, and Director of OMB) that additional O&M funds for the facility will be available once the project is completed for the life of the facility.
- **Other Funding Sources.** If other funding sources (i.e. grant monies, General Revenue funding, etc.) will be used for the project, the City department must submit written documentation to verify that the funding is committed and available.
- **Project Scope of Work + Cost Estimates.** City Departments are required to submit with their application a cost estimate that has been reviewed and/or prepared by the Capital Improvement Department. The City Department must ensure that the cost estimate correctly reflects the project's scope of work. It is recommended that the City Department make a site visit to the proposed location to determine current conditions.
- **Required Cash Match.** Applicants will be required to provide at the start of the project a minimum of 10% of the cost of the CDBG project in cash from a non-CDBG funding source. Applicants may also choose to provide a greater percentage of the project cost in order to make the project more impactful.

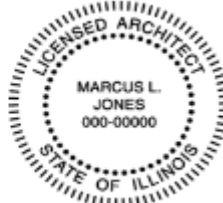
Note: City departments are eligible to request in writing from the DCHD Director a waiver for this requirement, however, a matching contribution will be a factor when evaluating each project.

NON-MUNICIPAL GOVERNMENTAL ENTITIES + NON-PROFIT ORGANIZATIONS

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

- **Collateral.** Applicant must be able to secure the CDBG funding by providing project collateral. Collateral must be at minimum equal to the amount of CDBG funding that is being awarded. Collateral is usually provided in the form of a promissory note that is secured by a deed of trust. However, if an applicant is unable to secure the loan through this method, another viable option must be provided with the application. Below are additional requisites that apply to the collateral requirement:

- A current appraisal value of property in the form of a Market Analysis, Certified Audit Report or a Report from the El Paso Central Appraisal District (EPCAD).
- If filing a deed of trust, applicant must indicate if there are any liens currently attached to the property. The City must be allowed to take the first lien position in order for the application to be considered for funding.
- If property is being leased, the terms of the lease agreement must be attached to the application. The property must be leased for at minimum the term of the Forgivable Loan Agreement (FLA) to be considered for funding.
- If filing a deed of trust is not feasible, applicant must indicate in their application the alternative that is being recommended to secure the CDBG investment.
- Applicants must provide documentation that the proposed collateral is equal to or more than the value of the proposed CDBG investment.
- Applicant must show that the use and form of collateral has been approved by their Board and Director. Evidence of approval can be shown through meeting minutes or a signed letter.
- **Project Scope of Work and Cost Estimate.** All public facility projects involving rehabilitation or new construction will be required to be estimated and designed by an architect or engineer licensed in the State of Texas. The project cost estimate (not the cover letter) must be stamped with the official seal of the architect or engineer licensed in the State of Texas. For example:



- **Required Cash Match.** Applicants are expected to provide at the start of the project a minimum of 10% of the cost of the CDBG project in cash from a non-CDBG funding source. Applicants may also choose to provide a greater percentage of the project cost in order to make the project more impactful.
- **Schedule A.** Applicants will be required to complete Schedule A as a part of their application packet. Schedule A defines the budget line items associated with the soft costs for a construction project. This document must be attached to the public facilities application at the time of submittal.
- **Task Schedule.** Applicants must provide a preliminary schedule of tasks involved in carrying out the proposed project that indicates that the CDBG project can be substantially completed by August 31, 2021. Should the CDBG funds be awarded, a project schedule will be incorporated in the Loan Agreement. Failure to comply with the schedule may result in the revocation of the funding award. In the event of revocation of funding, the applicant agrees and acknowledges that the applicant will not be entitled to any costs or damages from the City. A list of typical milestones involved in the implementation of a standard public facility project is provided below. Since circumstances vary, the applicant should coordinate with DCHD staff to assure that the applicant's schedule incorporates tasks suitable to the proposed project.

Task Schedule Example	
Task	Completion Date
City sends CDBG loan and escrow documents to government entity for review	7/31/2019
Government entity completes review of City's CDBG loan documents	9/01/2019
Government entity provides all required documents for closing purposes	9/01/2019
Closing occurs - execution of Forgivable Loan Agreement	9/01/2019
Government entity completes contract w/ architect or engineer	10/01/2019
Government entity completes project design	01/01/2020
Government entity prepares bid documents for advertising and then bidding	02/15/2020
Government entity participates in contractor selection	04/01/2020

Government entity completes final contract negotiations	04/15/2020
Government entity issues NTPs for demolition and renovation, or new construction	05/01/2020
Government entity completes project	09/01/2020
*NOTE: Task requires consultation with City of El Paso's DCHD and/or Capital Improvement Department	

PROJECT COMPLIANCE + ELIGIBILITY

TYPES OF ELIGIBLE IMPROVEMENTS

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

- **Area Benefit** - May be established if the public facility improvement will be used for a purpose that benefits all the residents of a particular service area in which at least 51% of the residents have low- or moderate-income. Applicants seeking to qualify a project as area benefit should contact the DCHD to assure that the population of the designated service area meets the low- and moderate-income requirements. Projects that will be used by a citywide population will not qualify under this criterion.
- **Limited Clientele Benefit** - The three options to establish this benefit are:
 - **Family Size and Income Documentation** - May be established if the public facility improvement will be used for an activity that benefits a specific group of people, at least 51% of whom are low- and moderate-income persons. Applicants seeking to qualify a project under this criterion must substantiate that at least 51% of the beneficiaries of the project will be low- and moderate-income, either through income eligibility requirements, or by obtaining information on family size and income of all beneficiaries.
 - **Presumed Benefit** - May be established if the public facility improvement will exclusively benefit a certain group of persons that are presumed by HUD to meet the low- and moderate-income criterion, including abused children, battered spouses, elderly persons, adults meeting the Bureau of Census' Current Population Report's definition of "severely disabled", homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers.
 - **Income Eligibility Requirements** – May be established if the public facility improvement will be used for an activity that has income eligibility requirements limiting the activity to LMI persons only.
- **Eligible Projects** – examples of eligible projects include: new construction; rehabilitation improvements; reconstruction and removal of architectural barriers; and design features and improvements which promote energy efficiency and distributed generation technologies.

TYPES OF INELIGIBLE ACTIVITIES

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

FINANCIAL TERMS

Government Entity and Non-Profit Agencies applicants may request the following types of loans, but the City of El Paso maintains the discretion to approve, modify, or reject the financing terms proposed by the applicant:

- **Direct Loan** - a loan to be paid back in cash in accordance with a specified payment schedule;
- **Forgivable Loan** - a loan that is paid back by fulfilling the terms of the CDBG Forgivable Loan Agreement which generally involves using the facility for its stated purpose for a specified period of time. As a general rule, there is a five-year reversionary period, and an additional time frame figured by equating one year to every \$100,000 in funding; or a
- Combination of a Direct Loan and a Forgivable Loan

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

OTHER PROJECT COMPLIANCE + SUPPORTING DOCUMENTATION

- **Building Codes.** Applicant must comply with all applicable City Housing, Building and Zoning Codes.
- **Encroachment.** For street improvement projects involving encroachment issues, a written plan describing how the applicant intends to address the encroachment issues with the affected property owners, preferably including proof of correspondence with the said property owners indicating their willingness and cooperation in addressing the street improvements as it pertains to their property or properties.
- **Environmental Considerations.** DCHD Compliance Staff must evaluate the viability of projects based on environmental factors, including whether or not the project is located in a flood zone. The environmental review may determine whether a project is funded, or may indicate that project modifications or alternatives are needed.

For projects that are located in a floodplain, applicant will need to identify and evaluate if there is (1) no project alternative, (2) a non-flood plain project alternative, and/or (3) a floodplain proposal.

- **Lead Clearance and Asbestos Survey.** Based on the age of the facility, a lead clearance and/or asbestos survey may be required. If either has already been completed, please submit with the application.
- **Ownership of Property.** The applicant must provide a current legal description to verify ownership of the real property to be assisted with CDBG funds. If property is joint use, please provide written documentation of the agreement. If the property is being leased, the terms of the lease agreement must be provided in addition to the legal description.
- **Purchase of Equipment.** The purchase with CDBG funds of equipment, fixtures, motor vehicles, furnishings, or other personal property that is not an integral structural fixture is generally ineligible.
- **Survey.** If project is recommended for funding, a survey will be required to assure there are no acquisition issues.
- **Sustainability Considerations.** Applicants will be expected to incorporate sustainable building technologies, standards and/or practices, such as those in the Leadership Energy and Environmental Design (LEED) Building rating system, or similar (Energy Star, Green Globes), if possible. Projects that include replacement or repair of energy consuming systems (i.e. HVAC, lights, and boilers) should follow Energy Star (www.energystar.gov) standards, if possible.
- **Use by Public.** Applicant must agree to open the public facility for use by the general public during all normal hours of operation upon completion of the public facility improvement project, if funding is approved. Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which have the effect of precluding low- and moderate-income persons from using the facilities, are not permitted.
- **Unimproved Land.** Title Search is required. Documents from El Paso Central Appraisal or City GIS will not be accepted.

- **Wage Rates.** The federal government requires the payment of prevailing wages for all construction contracts that have federal funding that exceeds \$2,000, which includes federal, state and local public works projects. Projects will be monitored by the City of El Paso's Capital Improvement Department to ensure that the general contractor and subcontractors adhere to this requirement.

COMMUNITY SUPPORT + CIVIC PARTICIPATION

COMMUNITY SUPPORT

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

CIVIC DESIGN LABS

In alignment with HUD's national objectives, DCHD encourages and supports citizen participation throughout the planning process. Different types of community outreach occur throughout the program year. One means of outreach is leading civic design labs in which citizens and City staff engage with one another to determine how facilities and amenities concerns can realistically be addressed. DCHD intends to hold annually a minimum of two design labs in each of the two targeted districts. Refer to the *Tentative Schedule for Upcoming Program Year* document for the tentative dates of these meetings.

FAIR HOUSING ACTIVITIES

DCHD funds should be used by the awarded agency for Fair Housing activities in coordination with the City's Community Development Program Coordinator. The amount of \$25,000 will be set aside each year for Fair Housing activities.

The Fair Housing applicant will be responsible for disseminating information to the general public through as many avenues as possible, i.e., non-profit housing agencies, apartment and real estate associations, seminars, social media and others, utilizing HUD posters, flyers and pamphlets that explain the Fair Housing Act. Upon receipt of fair housing inquiries, complaints or requests for information, the Community Development Program Coordinator located within the DCHD office will (1) assist with the preparation and submission of complaints to the HUD Regional office; or (2) refer the client to the appropriate agency for disposition of inquiries that may not be related to Fair Housing.

The City shall maintain the existing Fair Housing Task Force. The applicant will be required to participate with the Fair Housing Task Force in their duties of reviewing, revising and recommending actions to alleviate the Impediments to Fair Housing Choice. Overall, the applicant will be required to take actions that will affirmatively further Fair Housing in the El Paso Community.

OBJECTIVES

The objectives of the Education Component include:

- a. Access to informational material on fair housing rights and responsibilities in English and Spanish. This could include materials that are available, or the development of additional education materials. Materials developed with use of CDBG funding become the property of the City at the end of the project.

- b. Access to educational material and information for persons in need of specific or additional information on Fair Housing rights. (This could include speaking engagements, workshops, media and information campaigns, conferences and training.)

The objectives of the Outreach Component include:

- a. Create awareness among the housing industry and among civic or fair housing groups about illegal housing practices occurring in the City and determine ways to correct them; and,
- b. Design specialized outreach projects to inform persons concerning fair housing.

The ultimate goals of the project are:

- a. To establish a comprehensive information data bank on Fair Housing rights and responsibilities; and,
- b. To establish an outreach cooperative network for promoting Fair Housing in the community utilizing:
 - The Assessment of Fair Housing (AFH)
 - City of El Paso Fair Housing Task Force
 - Neighborhood Associations
 - Housing Agencies
 - Financial Institutions
 - El Paso Realtors Association
 - El Paso Apartment Association
 - Civic Organizations
 - Other officials, community, citizens and citizens groups, as applicable

PROJECT ELIGIBILITY + PERFORMANCE

Refer to Attachment I for the Fair Housing application. Note that all applicants must attend the mandatory workshop training as described in the mandatory workshop training section of this document.

OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **Applicant Capacity.** In the CDBG application, the applicant agency must describe the agency's previous experience, if any, in implementing a Fair Housing education and outreach project such as the one being proposed. If the applicant agency has previously administered a CDBG funded project, a description of the project must be provided including the CDBG grant amount and the year that the CDBG grant was awarded. At the time of submission of the application, the applicant must identify an experienced staff person or representative who will carry out the CDBG activity, if the funding is approved.
- **Building Codes.** Applicant must comply with all City Housing, Building and Zoning Codes, including City, State and Federal handicapped accessibility, lead-based paint and historic preservation requirements.

VOLUNTEER HOUSING REHABILITATION

DCHD is soliciting funding proposals from interested public and private entities for the use of funds for a Volunteer Housing Rehabilitation program. Each year, \$120,000 will be set aside for Volunteer Housing Rehabilitation activities that will occur in this year's two targeted districts, District #6 and District #7.

OBJECTIVES

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

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

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

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

PROJECT ELIGIBILITY + PERFORMANCE

Refer to Attachment N for the Volunteer Housing Rehabilitation application. Note that all applicants must attend the mandatory workshop training as described in the mandatory workshop training section of this document.

TYPES OF ELIGIBLE IMPROVEMENTS

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

- Repair or replace:
 - Air conditioner
 - Furnace
 - Stove
 - Refrigerator
 - Windows
 - Plumbing
- Repair stairs and walkways
- Scraping and patching walls

- Caulking bathtubs and showers
- Interior and exterior painting
- Clean overgrown yards, remove trash and accumulated debris
- Remove mold caused by roof leaks
- Replace or repair roofs
- Replace ceiling tile due to water leaks
- Remove and/or replace torn carpeting and broken tile that is hazardous
- Install grab bars and ramps
- Install ADA approved toilet
- Shower renovations
- Repair or replace door and/or door locks

OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **Other Funding Sources.** Applicants applying for Volunteer Rehabilitation Housing Program are not limited to the amount of CDBG funding they may request. If other funding is available, evidence of the funding source(s) must be present with the CDBG application.
- **Required Cash Match.** Applicants must provide 10% of the CDBG project cost in cash from non-CD funding sources. Applicants may also choose to provide a greater percentage of the project cost in order to make the project more competitive; nevertheless, other factors are also taken into consideration in recommending that projects be funded.
- **Sustainability Considerations.** Projects that include replacement or repair of energy consuming systems (i.e. HVAC, lights, and boilers) should follow Energy Star (www.energystar.gov) standards, if possible.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

DCHD projects to receive approximately \$556,720 for the Housing Opportunities for Persons with AIDS (HOPWA) program, which was established to provide housing assistance and related supportive services for low-income persons living with HIV/AIDS and their families. HOPWA is the only Federal program dedicated to address the housing needs of people living with HIV/AIDS.

PROJECT ELIGIBILITY + PERFORMANCE

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

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

OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **Eligibility.** Documentation must be maintained indicating that the assisted person is HIV positive or has a diagnosis of AIDS, as determined by a health professional competent to make such a determination. Sufficient determinations include documentation resulting from appropriate HIV tests administered by a physician's office, HIV counseling center or community health center. Documentation must also confirm that the eligible person and his/her family have a low income.
- **Non-Match Funding Stream.** HOPWA funds cannot be used to match other federal grants or loans.
- **Persons Served.** Applicant must provide services to HOPWA eligible persons and their families.
 - An eligible person is defined as a person with acquired immunodeficiency syndrome or a related disease who is low-income and the family of such a person.
 - The term acquired immunodeficiency syndrome and related diseases means the disease of acquired immunodeficiency syndrome and any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.
 - A low-income individual is a person with household income that is at 80% of the median income or less. HUD income guidelines are issued annually.

- **Partnerships.** Applicants must state in their Letter of Intent that they plan to partner with another agency. The identification of the partnership and plan of action for the partnership must be outlined in the full HOPWA application when it is submitted to DCHD.
- The partnership must identify the fiscal agent who will be the main applicant for the project.
- If any portion of the project will be carried out by a partner, contractor, consultant or other third party, the Activity/Partner Supplement of the application must be completed reflecting the role of the partner. This supplement will be provided as a module within the application.
- **Required Cash Match.** Applicant will be required to provide 10% of the cost of the HOPWA project in cash. The 10% of the project cost must be secured from a non-CDBG or non-ESG source. Funded applicants will be required to report sources and amounts of all funds expended on the program, and to demonstrate compliance with the 90% cap.

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

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

PROGRAM REVIEW + SCORING PROCESS

Applicants are required to submit a LOI to determine if the project is feasible and meets all mandatory requirements. Refer to Attachment L for the LOI. DCHD staff will review submitted LOIs and will invite those agencies whose programs qualify to a mandatory training workshop as described in the mandatory workshop training section of this document.

A full application, including all required modules, will be provided to only those agencies who attend the mandatory training workshop. The full application cannot be given prior to this workshop.

EMERGENCY SOLUTIONS GRANT (ESG)

DCHD projects to receive approximately \$530,773 in Emergency Solutions Grant (ESG) funds for street outreach, emergency shelter, homelessness prevention and rapid re-housing and Homeless Management Information System (HMIS) and administration. The purpose of the Emergency Solutions Grants (ESG) program is to assist individuals and families quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. The ESG program is governed by federal laws and regulations including the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act (42 U.S.C. §11302 *et. seq.*) as amended; the HUD regulations codified in 24 Code of Federal Regulations (CFR) Part 576; 24 CFR Part 58, for environmental requirements; 2 CFR Part 200 for Uniform Administrative Requirements; 24 CFR §135.38 for Section 3 requirements; and 24 CFR Part 5, Subpart A for fair housing (collectively, the Federal Rules and Regulations).

FUNDING ALLOCATION

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

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

PROJECT ELIGIBILITY + PERFORMANCE

ELIGIBLE ACTIVITIES

- Street Outreach Component** – Eligible street outreach costs include: costs of providing essential services necessary to reach out to unsheltered homeless people, connect them with emergency shelter, housing, or critical services; and provide urgent, non-facility based care to unsheltered homeless people who are unwilling or unable to access emergency shelter, housing, or an appropriate health facility, as further identified in 24 CFR 576.101. For the purposes of this section, the term "unsheltered homeless people" means individuals and families who qualify as homeless under paragraphs (1)(i) of the "homeless" definition under 24 CFR 576.2.
- Emergency Shelter Component** – Eligible emergency shelter costs include: costs of operating emergency shelters, providing essential services to homeless families and individuals. Providing case management; cost of assessing

arranging, coordinating and monitoring individualized services. Component services and activities consist of: The use of coordinated entry system, conducting initial evaluations, verifying eligibility, counseling, developing securing and coordinating services and obtaining federal, state and local benefits monitoring and evaluating participant progress, providing information and referrals to other providers, providing ongoing risk assessment for victims of domestic violence, developing an individualized housing service plan, including planning a path to permanent housing stability, as identified in 24 CFR 576.102

- **Homelessness Prevention Component**

- Homelessness Prevention – Rental Assistance. Eligible rental assistance includes:
- Short-term rental assistance (up to 3 months)
- Medium-term rental assistance (more than 3 months and up to 12 months)
- One-time payment for up to 6 months of rent in arrears, to include late fees.

Eligible costs includes: rental application fees, security deposits, last month's rent, utility deposits, utility payments (with a limit of 6 months in utility payment arrears), moving costs (including storage costs up to 3 months). Applicants must re-evaluate the program participant's eligibility type and amounts of assistance, program participants needs no less than every three (3) months.

- Homelessness Prevention – Housing Relocation and Stabilization Services. Eligible services include:
- Housing search and placement;
- Housing stability case management mediation;
- Legal services; and
- Credit repair.

Eligible services under case management include: coordinated entry assessments, initial evaluation, counseling, and coordinating services (for a complete list of eligible case management activities please reference 24 CFR 576.105(b)(2)).

- **Rapid Re-Housing Component**

- Rapid Re-Housing – Rental Assistance. Eligible rental assistance includes:
- Short-term rental assistance (up to 3 months)
- Medium-term rental assistance (more than 3 months and up to 12 months)
- One-time payment for up to 6 months of rent in arrears, to include late fees.

Eligible costs includes: rental application fees, security deposits, last month's rent, utility deposits, utility payments (with a limit of 6 months in utility payment arrears), moving costs (including storage costs up to 3 months). The 12 months may include a one-time payment for up to 6 months of rent arrears on the tenant's portion of the rent. Rent amount must not exceed HUD's published Fair Market Rent and the HUD standard for rent reasonableness (24 CFR 982.507). There must be a rental assistance agreement between the landlord and agency and a written lease between tenant and landlord. Eligibility and income shall be reviewed every six months. Participants in rapid rehousing are required to meet with case managers monthly.

- Rapid Re-Housing – Housing Relocation and Stabilization Services. Eligible services include:
- Housing search and placement;
- Housing stability case management mediation;
- Legal services; and

- Credit repair.

Eligible services under case management include: centralized coordinated assessments, initial evaluation, counseling, and coordinating services (for a complete list of eligible case management activities please reference 24 CFR 576.105(b)(2)).

- **HMIS** – activities related to the HMIS Lead Agency, an organization designated by the Continuum of Care to operate the area's HMIS. Costs include purchase or lease of computers, software licenses, technical support, office space, salaries, data collection, data entry, data analysis, reporting, analyzing patterns of ESG use, training provider staff, etc.

INELIGIBLE ACTIVITIES

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

OTHER PROJECT COMPLIANCE + IMPLEMENTATION REQUIREMENTS

- **100% Required Match.** Applicant must match the total award with no less than 100% by cash and/or in-kind contributions from other non-CDBG sources used for ESG expenditures as outlined in 24 CFR 576.201 and 2 CFR 200.306. A letter on applicant's letterhead attesting to the amount, source and date of availability of matching funds will be required.
- **Administrative Capacity.** ESG funds are distributed on a reimbursement basis. All agencies receiving funds must demonstrate administrative and financial capacity to fully operate the proposed project for a period of at least three months prior to reimbursement.
- **Written Standards.** Applicants must certify they have written standards that comply with the requirements of 24 CFR §576.400 to include order of priority. Additionally, a copy of the written standards of the program will be required within 30 days of submission of application.
- **Budget Modifications.** If an award is granted, the City's prior written approval will be required for any changes exceeding 10% within the consultants' line item.
- **Contact Information.** At least three contact names, phone numbers and email addresses must be provided with each application. The agency's Executive Director must be one of these three contacts. Applicants are responsible for submitting updated contact information throughout the funding year.
- **Eligibility Guidelines.** Applicant must provide direct services to at-risk or homeless individuals and families. Applicant is required to verify each client's eligibility status.
- **Emergency Shelter.** Applicants may apply specifically for "Emergency Shelter" funding from both the Emergency Solutions Grant and the Community Development Block Grant. However, funding will only be allowed from one of those entitlement grants at best.

- **Funding Allocation.** The minimum funding for a project will be \$40,000.
- **HMIS Participation.** Applicants for ESG are required to participate and enter their data in the El Paso Homeless Management Information System (HMIS). Refer to the local requirements section of this document for detailed HMIS participation requirements.
- **Multiple Sites.** Each physical location where funded services are provided is considered to be a separate activity. Any project that provides services in more than one location must complete an Activity/Partner Supplement for each site. The budgets for combined sites or activities must align with the budget for the overall project.
- **Partnerships.** Applicants are encouraged to collaborate in order to maximize the use of funding and streamline services. Applicants must state in their Letter of Intent that they plan to partner with another agency. The identification of the partnership and plan of action for the partnership must be outlined in the full ESG application when it is submitted to DCHD.
 - If any portion of the project will be carried out by a partner, contractor, consultant or other third party, the Activity/Partner Supplement of the application must be completed reflecting the role of the partner. This supplement will be provided as a module within the application.
- **Program Income.** Applicants are required to report program income and expended match funds monthly.
- **Rental Assistance.** Applicants who apply to provide Rental Assistance will be required to conduct inspections of housing units for compliance with Housing Standards (24 CFR 576.403(c), Lead-Based Paint requirement Standards (24 CFR 35, 576.403(a), Fair Market Rent and Rent Reasonableness Standards (24 CFR 576.106(d)
- **Staff hours.** The City will only reimburse applicants for staff hours that are spent on direct services funded by CDBG to eligible clients.

COMMUNITY PERFORMANCE STANDARDS

Signed into law in 2009, the HEARTH Act requires communities to implement strategies to prevent the loss of housing, help people quickly move out of homelessness and into housing and ensure housing stability (24 CFR Part 578). Therefore, communities must track and report their homeless assistance systems progress towards these outcomes (24 CFR Part 578, items 6 & 7). Performing well on these outcomes requires communities to align their systems to focus on housing based solutions, strengthen their capacity to collect data and information across programs and improve overall system performance.

To conform to federal regulations that govern the ESG program the El Paso Continuum of Care (EPCoC) has developed a Community Performance Plan (CPP) which identifies outcomes to be measured, establishes local benchmarks for achieving these outcomes, proposes improvement strategies for alignment and provides for reporting on poor performers as required by regulations.

Success in achieving performance standards during the annual monitoring period along with other factors, will form the basis for funding decisions. Long term under- performance of community established benchmarks as explained in Section C may result in funding reductions or termination of programs. HUD regulations in this requirement are found in 24 CFR Part 578, items 6 & 7.

COMMUNITY PERFORMANCE PLAN OVERVIEW

The Community Performance Plan (CPP) establishes a process to evaluate and monitor the performance outcomes of all homeless assistance programs. The performance goals must be consistent with the CPP benchmarks established by the Performance and Benchmarks Committee (P&B) and approved by the Continuum of Care (CoC) Board annually. The mission of the P&B committee is to improve community program performance through program monitoring and peer support.

Additionally, homeless assistance programs should be continually improving their performance to meet the CPP benchmarks set by the P&B committee, in alignment with HEARTH initiatives, and approved by the CoC Board. Performance categories

to be monitored and evaluated through the CPP process align with HUD System Performance Measures (SPMs) as illustrated below:

Community Performance Benchmarks

Length of Stay or program participation

Returns to Homelessness

Increase in Earned, Other and Total Income

Exits to Permanent Housing

Positive Housing Outcome

Length of Time between Start Date (eligibility)
and Move-in Date for RRH, PSH

HUD System Performance Measures

Length of time Homeless

Recidivism to Homelessness

Outreach to Homeless

Reduction in Homeless

Job & Income Growth

Placement to Permanent Housing

HOME INVESTMENT PARTNERSHIP GRANT

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership, or providing direct rental assistance to low-income people. States and local governments typically use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, and/or rental assistance.

The CDBG Revolving Loan Fund (RLF) is a compilation of proceeds of principal and interest generated by low interest loans from First Time Home Buyers, Minor Repairs, Single Family Renovations and Multi-Family Renovation borrowers. This fund cannot be used for new construction under the U.S. Department of Housing and Urban Development (HUD) regulations. Funding from the HOME Investment Partnership Grant, applicable program income, and CDBG RLF is projected to amount to approximately \$4.77 million for PY 2020-2021. This projected amount will fund administration and implementation of the programs discussed in this section.

The City of El Paso is finalizing a comprehensive, regional Housing Plan that will guide HOME and CDBG investment in affordable housing production, rehabilitation, and homebuyer assistance programs moving into the future.

FUNDING ALLOCATION

Housing programs are funded through the HOME entitlement grant and supplemented by program income and the CDBG RLF. Following is the expected distribution of combined funding for each program:

Program Activities	
28%	Single Family Rehabilitation, Minor Repair & Sewer Connection
15%	First Time Homebuyer Program
44%	Multi-Family (New Construction and Renovation)
13%	DCHD Administration
NOTE: All figures and percentages are an approximation prior to HUD's final allocation.	

REHABILITATION

The purpose of the City of El Paso's Housing Rehabilitation Program is to assist low to moderate-income homeowners [households at 80% or less of the area median income (AMI) as determined by HUD] to bring their deteriorating dwelling unit into compliance with the International Residential Codes and local ordinances in order to maintain a safe, sanitary and functional home. The assistance, up to \$65,000, is in the form of an amortized loan, forgivable deferred payment loan and/or a forgivable deferred payment loan note (deferred payment loan note is available for qualified senior citizens and persons with disabilities). Under the Renovation Program: If property is physically and or financially infeasible for rehabilitation, reconstruction of the dwelling unit may be authorized.

MINOR REPAIR

The Minor Repair Program is intended to meet urgent needs that do not require major rehabilitation of a home (ex. accessibility improvements, heating and cooling systems, roofing, etc.). Maximum assistance under the program is \$15,000, which may be in the form of a grant to the homeowner. As with the Rehabilitation Program, assistance under the Minor Repair Program is strictly for homeowner households at 80% or less AMI.

FIRST TIME HOMEBUYER PROGRAM

The purpose of the City of El Paso's First Time Homebuyer (FTHB) Program is to assist low to moderate income families achieve homeownership.. The FTHB Program may provide up to \$35,000 in mortgage principal reduction and/or \$5,000 in down payment and closing costs on the purchase of home priced at no more than \$121,000. Assistance is in the form of a loan and/or deferred payment second priority loan. To ensure affordability for El Paso residents, the FTHB Program is limited to households earning between 60% and 80% AMI

AFFORDABLE RENTAL HOUSING

The purpose of the Affordable Rental Housing Program is to increase the supply of affordable rental housing stock available to very low to moderate-income families (households at 60% or less AMI). This program offers gap financing for new construction, rehabilitation, or reconstruction of investor-owned and/or Community Housing Development Organization (CHDO)–owned affordable housing units. Assistance is in the form of an amortized loan/forgivable loan combination. Investors are required to contribute 10% of the cost of the project. CHDO's do not have a contribution requirement. HUD requires a minimum of 15% of the HOME annual allocation to be earmarked for CHDO development of affordable rental housing. Assisted units are required to provide affordable rents for an established affordability period.

Loan Term

- All loans are for a maximum term of 30 years.
- All unpaid principal balances and accrued but unpaid interest on the City loans become due and payable at the end of the 30-year loan term.
- Terms and conditions are governed by the City's Loan Servicing and Collections Mitigation Policies.

Interest Rate

- The interest rate for projects with non-forgivable loans is generally 3%, based on specifics of the applicant's proposal.
- Interest on program loans accrues annually as simple interest, not compounding interest.

Repayment

- Deferred payment loans are fully payable upon sale of property, change of use, completion or change in affordability period, or at the end of the loan term.
- Loan terms may be extended on a case-by-case basis to defer payment of principal and interest, but will require a commensurate extension of the required affordability period.
- Cash flow payment loans may be allowed for the deferment of payments if a pro-forma indicates the inability for scheduled periodic payments.

Affordability Period

- A covenant is recorded against the property requiring a minimum affordability period for HOME/CDBG-funded units.
- The affordability period will also continue for any period for which the loan is extended or remains outstanding.

Funding under the Affordable Rental Housing Program may also serve as gap financing to support Low Income Housing Tax Credit (LIHTC) projects. Loan and/or grant terms for LIHTC projects are detailed on a project-by-project basis via contract agreements.

From: [Carol Bohle](#)
To: [Hernandez, Jenny](#)
Cc: [Ferrini, Nicole M.](#)
Subject: EPCH COMMENTS: 46th year Policies + Procedures
Date: Friday, August 23, 2019 3:34:35 PM
Attachments: [image001.png](#)

Good afternoon Jenny,

Please see the following comments regarding the proposed 46th year P&Ps:

- 1) HMIS Participation - I absolutely appreciate the HMIS Participation requirement for CDBG projects that will house or primarily serve the homeless. This has been a standing practice for years but apparently never identified in the P&Ps. The inclusion of this requirement will ensure that all entities addressing homelessness with federal funds are moving toward the same performance standards established by the community. Furthermore, it will allow the Coalition, as the infrastructure organization for the El Paso Continuum of Care, to provide any needed training and/or support to these entities including best practices to achieve the overarching local and federal objective of making homelessness a rare, brief and nonrecurring experience. (Page 12)
- 2) Steering Committee – the Steering Committee should be provided training regarding ESG and CDBG Homeless including the distinct separation of these programs from Public Facilities and other Service Categories. We have multiple Non-Profits receiving funding through more than one program and there's confusion by new SC members when one entity appears numerous times on the list for different programs. Can we add a line item to the "Requirements" that participation in a training is either mandated or at least strongly recommended. There was so much confusion this year. (Page 18)
- 3) Emergency Solutions Grants – this is just a formatting item but three components are bolded and the other two are not. Thank you for including the information on Community Performance. It's so important for Council and the Community to see how these overarching goals can benefit our community and its citizens!

As with last year, having one document to encompass all programs is wonderful and the document is clearly outlined, easy to follow, very well done.

Thank you for your work on this!!!!

Carol

Carol Henry Bohle
Executive Director
El Paso Coalition for the Homeless
(w) 915-843-2170 (f) 915-843-2184



From: Gonzalez, Cynthia L. [mailto:GonzalezCL@elpasotexas.gov]
Sent: Tuesday, August 20, 2019 9:37 AM
Cc: Ortiz, Sarah A. <OrtizSA@elpasotexas.gov>; Hernandez, Jenny <HernandezJ5@elpasotexas.gov>
Subject: FW:CITY OF EL PASO Grant Funding 46th year Policies + Procedures

Dear community partners,

Attached for your review is the draft of the 46th Yr (2020-2021) Policies and Procedures document. Please submit any comments to HernandezJ5@elpasotexas.gov by this Friday, **August 23rd at 5pm.**

See email below.

Thank you,
Cynthia L. Gonzalez
Grant Administrator
Community Planning + Development
Community + Human Development
City of El Paso

t 915.212.1652
GonzalezCL@elpasotexas.gov

From: Hernandez, Jenny <HernandezJ5@elpasotexas.gov>
Sent: Friday, August 16, 2019 9:07 AM
Cc: Gonzalez, Cynthia L. <GonzalezCL@elpasotexas.gov>; Ortiz, Sarah A. <OrtizSA@elpasotexas.gov>
Subject: 45th year Policies + Procedures

Good Afternoon Agencies!

As you all know every year we ask you to fill out a survey to help guide us on what improvements can be made for the upcoming year of CDBG. After reviewing that feedback we are ready to take the policies + procedures (P+P) to council on September 3rd. We would like to share the P+P with you prior to council's approval to give you the opportunity to make any comments on the P+P. All comments will be shared with council when the draft is taken on that Tuesday. If you would like to submit any comments please send them to me no later than August 23rd by 5pm. The P+P is attached here and the two major changes can be found below and are also highlighted in the P+P. Please note that other minor changes were made so please review the document if not now then prior to applying to ensure that you are able to comply with and meet all new requirements. The

approval of the P+P by council allows us to release the LOL's for the next round of CDBG applications so following councils approval we will send out an email with all the details for the 46th year of CDBG. Please feel free to give me a call if you have any questions.

Major Changes:

- **HMIS Participation.** Applicants whose services, program and/or facilities project that will house or primarily serve the homeless population, must fully participate as an entity in the Homeless Management Information System (HMIS) for the full term of the established agreement. "Full participation as an entity" requires that all applicable programs, facilities projects and services operated and/or provided by the entity, regardless of funding source, be compliant with the Standards for Participation of the HMIS Lead Entity. The City will consult with the HMIS Lead Entity to determine compliance with this requirement.
- The large-scale project set aside has been created in order to better leverage community investments to achieve greater performance outcomes across the community, but especially for vulnerable populations. This funding is available for projects citywide, and will follow a two-year funding cycle. This document covers the second year of the two-year funding cycle for the 45th Year (2019-2020) and 46th Year (2020-2021).

Thank you!
Jenny

Jenny Hernandez
Grant Administrator
Community Planning + Development
Community + Human Development
City of El Paso

t 915.212.1651
hernandezj5@elpasotexas.gov