



CITY OF JACKSONVILLE
CDBG-DR - HURRICANE IRMA
VOLUNTARY HOME BUYOUT PROGRAM

POLICIES & PROCEDURES

VERSION POLICY

Version history is tracked in the Version History Table below with notes regarding version changes. Dates of each publication are also tracked in this table.

Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

VERSION HISTORY

CHANGE DATE	VERSION NUMBER	SUMMARY OF CHANGE
10.30.19	1.0	Initial Draft
4.12.22	2.0	Clarification of policies
12.16.22	3.0	Added RARAP, Methodology for determining purchase values
1.10.23	3.1	Added Section 3 to Labor Standards

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I. PROGRAM OVERVIEW & OBJECTIVES

A. INTRODUCTION

This document addresses the policies and procedures that will guide the implementation of the City of Jacksonville's (the "City") Community Development Block Grant for Disaster Recovery (CDBG-DR) Voluntary Home Buyout Program (VHBP or the "Program").

In September 2017, Hurricane Irma struck Florida as a category four hurricane. Though Hurricane Irma weakened as it moved north, the City experienced devastating winds and widespread flooding as a result of the storm. Hurricane Irma exposed the vulnerability of many low-lying areas throughout the City.

The purpose of the VHBP is to acquire properties located in the Washington Heights Neighborhood adjacent to the Ribault River and within the FEMA designated Special Flood Hazard Area (SFHA) to mitigate the impact of future disasters. Homes that are purchased will be demolished, the land will be returned to green space, and will improve local flood storage and conveyance. The VHBP provides a resiliency option versus rebuilding within the highest risk areas. Buyout programs help prevent repetitive loss and extreme risk to human health and safety.

The Florida Department of Economic Opportunity (DEO) is the lead agency and responsible entity for administering the CDBG-DR funds allocated to the state. The Department of Housing and Urban Development (HUD) completed an assessment to determine the unmet need. Based on the assessment, the State of Florida received an allocation of \$812 million in disaster recovery funds to assist in recovery from the hurricanes. Duval County (also referred to as the "City") was determined to be one of the HUD-identified Most Impacted and Distressed areas. The City submitted an application for the Rebuild Florida Voluntary Home Buyout Program requesting \$5 million in CDBG-DR funding.

B. PROGRAM OVERVIEW

The primary purpose of the VHBP is to acquire properties in a high-risk flood area to mitigate the impact of future disasters and simultaneously assist low-to-moderate income households and/or benefit a low-to-moderate income area. After properties are purchased, the structures will be demolished, and the land will be returned to green space.

C. PROGRAM DELIVERY METHODS

The Subrecipient Agreement (referred to as the "Agreement") between the City and DEO governs the Program Delivery Method in accordance with §570.503. The Agreement is attached hereto as **Exhibit "A"**.

D. ELIGIBLE ACTIVITIES

The eligible activities under the VHBP will include:

- Appraised Property Buyout Costs
- Settlement costs
 - Appraisal Cost
 - Appraisal Review
 - Title Search
 - City of Jacksonville Document Signing
 - Credit Check
 - Environmental Review Costs
 - Inspection Costs
 - Deed Conversion Fees
 - Recording Fees
 - Other Associated Closing Costs
- Demolition costs including the actual demolition of the existing structures on the property, clearing the property, and proper disposal of resulting debris
- Relocation Advisory Services – additional case management and real estate services to assist vulnerable households locate eligible housing in lower risk areas

E. NATIONAL OBJECTIVES

Expenditures of all CDBG and CDBG-DR funds must meet one of three national objectives:

1. Primarily benefit Low-to-Moderate Income (LMI) persons;
2. Aid in the prevent or elimination of slum or blight; or
3. Meet an urgent need.

The VHBP will require that applicants meet either the Low-to-Moderate Income (LMA) Area Benefit, or the Low-to-Moderate-Income Housing (LMH) National Objective. The Voluntary Buyout Program’s target neighborhood is approximately 92% LMI according to HUD data. Applicants of Owner-occupied properties are required to submit documentation for income verification of the household in order to determine the level of additional program incentives for which the applicant may qualify. For rental properties, the benefit to LMI individuals is two-fold: (1) the property owner may be eligible for an incentive to purchase a new property that would be held as a rental for LMI individuals/families; and (2) the tenants of the purchased property may receive assistance in finding alternative affordable housing outside the floodplain and may receive financial assistance, in accordance with URA guidelines.

II. PROGRAM ADMINISTRATION

A. CITY STAFF

The City recognizes that in order to effectively administer and manage the Program in full compliance with CDBG-DR rules and regulations, a full team of professionals will be required to be engaged throughout the process. The City hired a Disaster Assistance Program Manager, as a grant-funded employee, to implement and oversee all aspects the Program. The following staff members will be involved in the administration of the Program in various capacities:

Neighborhoods Department & Community Development Division

Chief of Housing and Community Development Division, Thomas Daly

Disaster Assistance Program Manager, Raelyn Means

Disaster Assistance - Assistant Program Manager, VACANT

Disaster Assistance Specialist, VACANT

Director of Finance, Adebisi Okewusi

Financial Analyst, Karen Stanko

Housing Rehab Specialist, Rick Reynolds

Compliance Manager, Neolita Maharaj

HCDD Regulatory Specialist, Kenny Logsdon

B. AMENDMENTS AND CHANGES

If changes need to be made to the Agreement during the term provided therein, the Program Manager will utilize the Subrecipient Agreement Modification form provided by DEO. The form will be submitted to the DEO Grant Manager for review and approval by ODR.

C. Extension of Time

The City is committed to completing its Program within the time period provided per each Agreement. However, it is imperative that all Disaster Assistance Staff notify the Program Manager immediately in the event of unforeseen circumstances that could cause significant delays to the Program.

The Program Manager, in consultation with other Disaster Assistance Staff, will determine whether the delays will impact the City's ability to complete the project during the term of the

Agreement. In the event that the Program Manager determines that all project work cannot be completed prior to the Agreement's expiration date, an amendment will be requested immediately.

D. Budget Revisions

The Program Manager will request an amendment for budget revisions for the following reasons:

- A need to revise the number of proposed accomplishments or beneficiaries
- Transfer of excessive administrative funds to an approved project activity
- Transfer of unobligated funds from a completed activity to another activity
- Transfer of funds from one activity to another activity

E. Scope of Work

The Program Manager will request an amendment if it becomes necessary to expand or reduce the approved scope of work to be performed for this program. Approval of project amendments will be subject to the availability of funds remaining in the approved budget. Additionally, all amendments must be reviewed by CDBG's environmental staff to determine if the amended scope of work requires additional environmental review.

The Program Manager will consult with the DEO Grant Manager to determine if an amendment is necessary depending on the specific circumstances that may arise. Notice of attention that increasing the scope of work without an increase in the budget does not generally require an amendment.

F. TIMELY EXPENDITURE OF FUNDS

Per the Agreement between the City and DEO, all CDBG-DR funds for the Program must be expended within thirty-six (36) months from the Effective Date (date of execution by both parties). However, the City understands that DEO will periodically review the City's progress. The City will review in-house expenditures and beneficiary expenditures to ensure that funds are spent on eligible costs and in a timely manner. Project funds and schedules will be monitored by Housing and Community Development's Finance Team.

As the City is an entitlement community, City staff members already have experience with monitoring the expenditure rate of its annual CDBG allocation. The City will maximize its use of technology to support and augment any standard processes instituted to ensure timely expenditure of funds.

G. OUTREACH & MARKETING

Effective communication is paramount to the successful delivery of public programs. The City will utilize multiple platforms to ensure information regarding the Program is received throughout the service area. Platforms of information dissemination may include: online advertisements, social media, local media, and town hall meetings within the target service area.

H. REQUIREMENTS FOR APPLICATIONS AND PROJECTS

A. General

The scope of work for this project is to acquire and demolish properties in the Washington Heights Neighborhood that are within the SFHA. Debris and slab removal will follow demolition. Environmental testing will be completed in accordance with requirements. Properties acquired would be converted to green space and deed-restricted in accordance with the requirements of the Program. The Program will comply with the Uniform Relocation Act for all individuals who are displaced.

For each Property Owner that has a Voluntary Participation Form on file, the following steps will occur:

1. Participant notification and application and documentation intake
2. Eligibility Determination
3. Conduct Property Appraisal
4. Tier II Site Specific Environmental Review
5. Duplication of Benefits Certification
6. DEO Approval
7. Determine Incentive Eligibility
8. Offer to Purchase
9. URA Activities
10. Enter Contract for Closing
11. Complete Purchase
12. Demolition Activities

B. Eligibility

(1) PROPERTY CRITERIA

Each property must meet the following criteria to be considered for the Program:

- (a) A willing and voluntary seller;
- (b) Property contains a structure that was damaged or destroyed due to Irma, or the property is located in a SFHA or a High-Risk Flood Area;
- (c) All compatible easements or encumbrances must be extinguished;
- (d) Property cannot be contaminated with hazardous materials (other than incidental demolition or household waste);
- (e) Property cannot be part of intended, planned, or designated project area for which the land is to be acquired by a certain date, and/or where there is an intention to use the property for any public or private future use inconsistent with the open space deed restrictions and FEMA acquisition requirements (e.g., roads and flood control levees)

- (f) Property will not be subdivided prior to the buyout, except for portions outside of the identified hazard area;
- (g) Properties that have received rehabilitation or repairs through the Rebuild Florida Housing Repair Program will not be eligible for assistance under this Program.

The following types of ownership are not eligible for the Program:

1. Applicants who lost ownership of their home due to foreclosure;
2. Applicants who have outstanding judgements or lawsuits that would prevent the issuance of a clear title on the property.

(2) APPLICANT CRITERIA

Applicant(s) must submit documentation to prove their identity. This documentation may include, but is not limited to, the following:

- Government Issued Photo Identification (Federal or State-issued)
- Driver's License
- Passport
- Military ID Card
- Certificate of Naturalization or Permanent Resident Card

Applicants are also required to submit proof of birth verification for all household members for identification purposes.

(3) Income

Income verification will occur for all applicants to determine the level of incentives for which they may be eligible. The 2022 HUD Income Limits referenced below will be used to determine income eligibility (with displacement/urgent need exception). Applicants will need to submit documentation for verification of income. Applicants (and household members) must submit their most recent tax returns or their social security statement if they are not required to file taxes. If an applicant is unable to provide taxes, an applicant can submit his or her W-2.

HCDD Staff will utilize the CPD Calculator on the HUD Exchange website to verify the household income. All required and received information is entered into the CPD Calculator, the Income Certification must be printed and signed by HCDD Staff (as Preparer) and by the Applicant and Household Members over 18.

The income level is based on the total of all income for all household members of the home.

2022 INCOME LIMITS SUMMARY
(as may be updated from time to time)

Household Size	Moderate (80% of Median)
1 person	\$46,850
2 persons	\$53,550
3 persons	\$60,250
4 persons	\$66,900
5 persons	\$72,300
6 persons	\$77,650
7 persons	\$83,000
8 persons	\$88,350

C. Priorities

Funds will be provided on a first-come, first-qualified, first-served basis. However, an application will not be considered complete until the application and all required forms are completed, executed, and received. Additionally, all supporting documentation, including financial documentation, must also be received.

D. MAINTENANCE OF RECORDS

Proper maintenance of Program records is imperative to ensure compliance with the National Objectives. All records and documents related to the Program will be retained in a physical format as well as an electronic format on the **(G:) Drive** under the **CDBG-DR – Irma - VHBP** folder. All records and documents related to the Program will be retained for a period of six (6) years (or whatever is required by DEO/HUD), starting once the national objective has been met and recorded.

During the intake process, the Intake Specialist will follow a checklist to ensure that all documentation is obtained and properly filed. This documentation will be necessary for Direct Benefit Reporting.

E. DIRECT BENEFIT REPORTING

The City shall maintain accurate files and records on each applicant and shall retain all pertinent documentation for the grant between DEO and the City. Compliance will be maintained in accordance with the reporting requirements under the CDBG-DR regulations. This includes all information and reports as required under the City's Grant Agreement with DEO and demographic data and other information on applicants and awardees.

The City will collect and report data relevant to Affirmatively Furthering Fair Housing and Civil Rights compliance. The reporting requirements will include, but are not limited to the following:

- Applicant household's income;
- Household's income as a percentage of area median family income as defined by HUD;
- The race and ethnicity of the head of household;
- The household's familial status; and
- The presence or non-presence of a household member with a disability.

III. FINANCIAL MANAGEMENT

A. INTRODUCTION

HCDD manages state and federally funded housing and community development-related programs that benefit low- to moderate-income persons and households within Duval County. HCDD is required to administer these programs in accordance with federal, state, and local regulations, statutes, and ordinances, and in accordance with HCDD policies and procedures. Although each HCDD employee is responsible for the accuracy, completeness, and organization of his or her own work, additional compliance oversight is essential due to the complexity of the work and the severity of penalties for non-compliance. Non-compliance can result in HCDD having to return funds which diminishes HCDD's ability to meet the City's housing and community development needs. Throughout this Section, the term "HCDD staff" will include those in the HCDD positions of Chief, the Senior Management Team (SMT) and all other HCDD employees.

B. FINANCIAL MANAGEMENT SYSTEMS

The City shall adhere to the requirements of 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart D, Post Federal Award Requirements, in the delivery of its grant-funded programs.

The City shall utilize financial management systems that can generate regular financial status reports indicating the dollar amount allocated (including budget revisions), amount obligated, and amount expended for each activity. The system must permit the comparison of actual expenditures and revenues against budgeted amounts.

C. POLICY FOR CDBG-DR FUNDS

A. Accounts Payable Activities

Contractors will submit written payment requests along with supporting documentation to HCDD Staff. Payment requests shall be allowed on a reimbursement basis (i.e. only after expenditures have been incurred and cleared) and shall be reviewed to ensure the expenditures are in conformity with the use of funds as described in the Scope of Work (Rehab Specialist shall complete an inspection to confirm work has been completed).

For each request for payment, the Contractor must submit the following documents:

- Contractor Payment Request Form
- Partial/Full Release of Lien
- Valid Invoice

A Valid Invoice requires the following information:

- Name & Address of Contractor
- Name of Property Owner
- Address of Property
- Date of Invoice
- Date of Services
- Individual line items stating work **completed** and cost
- Total Amount Due (must match the amount on Payment Request)

If source documentation is deemed inadequate or incorrect by HCDD Staff, payment will be withheld until all required documents have been received and approved. Both the Rehab Specialist and the Program Manager must sign off on each pay request prior to being submitted to Accounting for payment. Payment requests received and approved will be processed and a check (direct deposit) issued in accordance with the City's payment processes as outlined below.

B. Payments Made by Check Request

Certain payments are eligible to be made through the completion of a check request form. Any questions regarding whether a payment may be paid in this manner shall be addressed by the Director – Finance. The steps for processing a check request payment are as follows:

- Staff prepares the appropriate Check Request Form providing clear information regarding the vendor to be paid, the remittance address and the account(s) to which the payment should be charged. All original backup documentation supporting the payment shall be attached to the completed Check Request Form and forwarded to the appropriate Senior Manager.
- The Senior Manager shall review the prepared Check Request Form and supporting documentation for accuracy and eligibility. If all items are in order, the Manager will sign and

date the Check Request Form and forward it to the Finance Section. If the request is rejected, it shall be returned to the initiator for correction and resubmission.

- The Accountant shall routinely gather any physical check requests from the designated area and key them into the City's accounting system for review and release. The system will electronically transmit the transaction to the Director – Finance for review and approval. The Accountant shall place the physical copy of the Check Request Form and any backup documentation in the Director – Finance's inbox for review in conjunction with the electronic transaction.
- The Director – Finance shall review the physical Check Request Form and backup and verify that the information keyed into the accounting system is correct. If all items are in order, the Director – Finance will release the electronic transaction in the accounting system and return the physical voucher package to the City's Accounting Division for payment.
- Prior to releasing the original voucher package to the Accounting Division, the Accountant shall scan it to the designated location on the Division's server for archival purposes.

C. Cash Management

Regarding the CDBG-DR Program, the only time that “cash” will be handled is in the event of a Duplication of Benefits (DOB) payment. In these cases, the beneficiary must provide a Cashier's Check payable to the Contractor for the DOB amount. The Cashier's Check will be scanned, and a copy saved in the beneficiary's electronic file. The physical Cashier's Check will be held by the Accounting Department in a locked container until payment is due to the Contractor. There will be a Ledger included in the locked container that will require the Accountant and the Program Manager to initial the receipt of the Cashier's Check. When the Cashier's Check is provided to the Contractor for payment, the Accountant and the Program Manager will initial the Ledger again. The Contractor shall pick-up the Cashier's Check at HCDD Offices and execute an acknowledgement of the Cashier's Check at the time it is received.

D. PROGRAM INCOME

In the event any program income is generated from grant-funded activities, that program income must be used before requesting additional drawdown of CDBG-DR funding. Program income is the gross income received by the City directly generated from the use of grant funds. When program income is generated by an activity that is only partially assisted with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used.

The City does not anticipate receiving program income from the Program; however, there are few scenarios in which program income could be received:

- Subrogation
- Default

Not all CDBG generated income is considered Program Income. Some examples of items that are not considered program income include:

- Amounts less than \$25,000 across all programs

IV. DUPLICATION OF BENEFITS

A. BACKGROUND

Federal regulations require that benefits provided by CDBG-DR funds are not duplicative of benefits provided by other federal, state, local, and private sources. Specifically, the program is prohibited from using CDBG-DR funds for activities that are reimbursable by, or for which funds are made available by, FEMA or USACE. A duplication of benefits (DOB) occurs when a beneficiary receives assistance from multiple sources for a cumulative amount that exceeds the total need for a particular disaster recovery purpose. The amount of the duplication is the amount of assistance provided in excess of need. The following are sources of funding that may be considered a DOB:

- FEMA Individual Assistance for Structure (IA)
- National Flood Insurance Program (NFIP) and/or Increased Cost of Compliance (ICC)
- Private Insurance
- Small Business Administration (SBA)
- Non-Profit Sources
- Any other funding source that may duplicate assistance

Pursuant to the Stafford Act as well as DEO's *Duplication of Benefits Policies and Procedures*, the City has established a framework for identifying potentially duplicative sources of funds and reducing documented duplications from potential project awards prior to any award being made. In conjunction with its actions to prevent fraud, waste, and abuse, the City will require applicants to self-certify all information provided in the application. This certification will provide the City with recourse in the event that additional information must be gathered from a beneficiary, a beneficiary has provided incorrect or false information, and/or funds need to be recaptured. If an applicant receives DOB funds after closing on the award, another DOB analysis will be conducted and may result in funds being subrogated back to the Program.

B. PROCEDURE

During the intake process, applicants are required to identify all sources of funds that they received. Applicants will be required to submit documentation for each type of assistance received. Additionally, all reasonably anticipated assistance, such as future insurance payments or approved SBA loan proceeds, will need to be identified during the intake process. However, pursuant to HUD guidance, declined or cancelled SBA loan proceeds are not to be considered a DOB.

As required by DEO, during the intake process, each applicant will be required to sign, an affidavit that contains the following language:

I/We agree to notify the [subrecipient] within five (5) business days of any additional or new payments, loans, grants, or awards by HUD, FEMA, the Small Business Administration, the State, or any other entity I/we have not specifically disclosed in this application. Further, I/we understand and acknowledge the State's or its Subrecipient's right and responsibility to enforce this requirement by recapturing all or a portion of the CDBG-DR award if the funds I/we receive are determined to be a duplication of the CDBG-DR benefit I/we are applying for with this application.

I/We have read and understand the foregoing statement.

Date: _____ *Applicant(s):* _____

Additionally, the application will include the following language and is required to signed at the time of application:

PENALTY FOR FALSE OR FRAUDULENT STATEMENT: U.S.C. Title 18, Sec. 1001, provides: "Whoever, in any matter, within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies . . . or makes any false, fictitious, or fraudulent statement or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious, or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both."

I/We have read and understand the foregoing statement.

Date: _____ *Applicant(s):* _____

C. RECAPTURE & SUBROGATION

To address any potential future DOB, applicants must execute a subrogation agreement prior to receiving the award. The subrogation agreement will require that the applicant notify the City and/or the State of any additional funds received as well as to repay any funds later received for the same purpose as the CDBG-DR award. If, subsequent to an award, a reassessment of need occurs and the applicant receives an increased award, then the applicant shall be required to sign a revised subrogation agreement to repay any assistance later received for the same purpose as the CDBG-DR funds.

When the City or State is notified of or becomes aware of a payment to an applicant from any source that may be duplicative of the CDBG-DR-funded purpose, the City will notify the State and the applicant will be required to provide all pertinent information necessary to the State to make a determination of whether the payment was duplicative and whether the applicant must repay the State any portion of the CDBG-DR award.

DEO or the City will review the payment received by completing the Initial Award Methodology outlined below. The resulting DOB example worksheet will be signed and dated by the person completing the example worksheet and placed in the permanent file of the applicant. A copy of the example worksheet will be forwarded to the legal department of DEO, who shall take all legal steps permitted and required by the subrogation agreement to recapture any funds deemed duplicative. All duplicative funding received by an applicant must be remitted to and/or accounted for by the City regardless of when the applicant receives it. By accepting an award, applicants agree that they will report any duplicative funds to the City whenever received.

V. APPRAISALS

All properties shall be appraised by a State licensed appraiser and in conformity with the Uniform Relocation Act at 49 CFR 24.103-Criteria for Appraisal and 49 CFR 24.104-Review of Appraisals. The properties shall be purchased at a post-disaster fair market value of the home, less any identified duplication of benefits and mortgage or other liens.

A Statement of Determination of Compensation will be prepared in accordance with the appraised value and provided to the homeowner with the Offer to Purchase.

VI. OFFER TO PURCHASE

Once an applicant has been determined eligible and an assistance amount has been calculated, the applicant shall receive an offer to purchase. An applicant must sign a voluntary participation or non-participation agreement within 14 days.

VII. DEED RESTRICTION OR RESTRICTIVE COVENANT

The City of Jacksonville shall ensure that a deed restriction is recorded on any real property or facility, excluding easements, acquired with CDBG-DR funds. Properties acquired through the buyout program shall have a deed restriction or restrictive covenant running with the property and require that the buyout program be dedicated and maintained for compatible uses in perpetuity. Compatible uses include:

1. Any property acquired, accepted, or from which a structure shall be removed pursuant to the project shall be dedicated and maintained for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.
2. No new structure shall be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than:

- a. A public facility that is open on all sides and functionally related to a designated open space (e.g. a park, campground, or outdoor recreation area); or
- b. A rest room; or
- c. A flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream or downstream and that the local floodplain manager approved, in writing, before the commencement of the construction of the structure.

Each deed restriction shall be made a part of the public records in the Duval County Clerk of Courts. Any future disposition of that real property shall be in accordance with 24 C.F.R. § 570.505 and any future change of use of that real property shall be in accordance with 24 C.F.R. § 580.489(j).

VIII. ENVIRONMENTAL REVIEW

The City will conduct all environmental reviews (“ER”) for the Program. All ERs will be carried out and documented in full compliance with 24 CFR Part 58.

A. HUD ENVIRONMENTAL REVIEW BACKGROUND

There are two major sets of regulatory guidelines when it comes to the HUD Environmental Review process, those under 24 CFR Part 50 and 24 CFR Part 58. Under Part 50 HUD assumes the role of the Responsible Entity and under Part 58 units of local government assume the role as the Responsible Entity. The City is the Responsibility Entity for the administration of the CDBG-DR funds; therefore, the City will be working under Part 58 regulations and guidelines for this Program. All Environmental Assessments (“EA”) and ERs will be fully compliant with federal, state, and local regulations; with special attention to 24 CFR Part 58.

B. LEVEL OF REVIEW

The first step in the HUD ER process is the Level of Review Determination. Proper due diligence at this phase helps to ensure a successful project down the road and that the City’s ERs will be in full compliance with federal, state, and local regulations. Every activity for which HUD funds are spent requires an Environmental Review Record (“ERR”). Attached to this ERR will be supporting documentation which serves as empirical evidence as to the determinations and assessments throughout the process. The nature, type, and magnitude of the project determine the level of review that must be completed. The City will be fully responsible for preparing the ERR and compiling all supporting evidence for each individual property/address.

C. TYPES OF REVIEW

The five levels of review that HUD-funded projects are potentially subject to are as follows:

1. Exempt
2. Categorically Excluded Not Subject To (“CENST”)

3. Categorically Excluded Subject To (“CEST”)
4. Environmental Assessment (“EA”)
5. Environmental Impact Statement (“EIA”)

The City’s Program will trigger the third level of review, CEST.

D. TIERED REVIEWS

The ERs to be conducted for this Program will follow a Tiered Review System. Tiered Reviews were chosen to expedite the ER process and to ensure that every property that participates in the Program receives an ER that is fully compliant with 24 CFR Part 58.

A. Tier I Broad Level Review

The benefit of utilizing the Tier Review process is that the City has the opportunity for clearing certain items of the ER before individual property addresses are known. Furthermore, the Request for the Release of Funds process is only completed one time at the Tier I level, not for each individual site. Compliance was determined during the Tier I review for all but two compliance factors. These two factors will be analyzed during the Tier II Site Specific Review.

B. Tier II Site Specific Review

When a property has been approved for participation in the CDBG-DR Hurricane Irma – Voluntary Home Buyout Program, City staff will immediately contact the Environmental Review Specialist to begin the review process. The Specialist will provide written documentation for each project that includes important benchmarks and an estimated time for completion (see sample below).

In order to ensure compliance and transparency, bi-weekly emails will be provided by the Environmental Review Specialist updating the Program Manager of the status of each project. Files pertaining to the Environmental Review process will be always readily available to the Program Manager. If the ER process identifies areas of concern, the Program Manager will be informed immediately.

The Environmental Review process involves the completion of a Tier II Site-Specific environmental review for each project location. A Tier II review requires an analysis and documentation of the laws, regulations, and executive orders that could not be determined during the Tier I Broad Level Review. This includes:

- Historic Preservation
- Contamination and Toxic Substances

Compliance with these factors requires the completion of the Site-Specific Tier II Environmental Review Record. Funds will not be committed to the project location, nor will any work be done, until the Environmental Review process is completed, and approval is received from DEO. Any property where compliance with the required factors cannot be determined will be ineligible for funding under this Program.

1. ASBESTOS & ASH MANAGEMENT

a. ASBESTOS

HUD does not have specific regulations related to asbestos. However, it has been determined by the Florida Department of Environmental Protection that the Program is subject to state asbestos laws for residential construction. This will require preliminary testing and identification of asbestos material in the house. Material which tests positive for asbestos must be handled and disposed of according to local regulations. The site must have a clearance test performed and passed when asbestos abatement work is complete.

b. ASH MANAGEMENT

The Washington Heights Neighborhood is subject to the City of Jacksonville's Ash Management Plan, which will require additional sampling and remediation should the presence of Ash be found. During the Tier II Environmental Review process, Program staff will contact the Office of Ash Management to determine what level of testing and/or remediation, if any, has already occurred at the proposed project site. If a property is identified as a potential ash site, contractors will be required to test for ash prior to demolition, in accordance with the Ash Management Plan.

IX. PROCUREMENT

The federal government has established a set of procurement rules in 2 CR Part 200.317-327 that apply to CDBG-funded projects. The City will abide by the Procurement guidelines mandated by federal, state and local codes as they are applicable to the Program. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and cost. The ITB may include one project or multiple projects and may include different requirements depending on the extent of work needed for the project(s). The ITB will be submitted to the Procurement Division to be posted in accordance with Chapter 126.

Prior to awarding the bid(s), the total bid amount for each project will be sent to the Finance Department for approval. The Finance Department will review the total estimated costs to ensure that the project(s) will not result in overcommitment. Once the Program Manager has received approval, bid awards are prepared and sent via email to all Contractors that submitted bids for each specific project.

X. UNIFORM RELOCATION ACT

A. OVERVIEW

The Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and Federally Assisted Programs, 42 U.S.C. 4601 et seq. (URA) Uniform Relocation Act provides important protections and assistance for people affected by the acquisition, rehabilitation, or demolition of real property for federally funded projects. In order to ensure the City's Voluntary Home Buyout Program is consistent with established policy, the City of Jacksonville has adopted the Department of Economic Opportunity's Residential Anti-displacement and Relocation Assistance Plan. This plan ensures all activities are performed in accordance with the URA, the regulations at 49 CFR 24, 70 FR 589, HUD guidance, and associated waivers in the applicable Federal Register Notices for Hurricane Irma.

The City of Jacksonville's Voluntary Home Buyout Program shall acquire properties from owners who agree to voluntarily participate in the program. However, some owners who volunteer may rent their property they have volunteered for the program. Renters and other non-owner occupants who shall be required to move from the unit involuntarily may be displaced as a result of the buyout. The City of Palm Bay shall follow the URA requirements, as amended by the applicable Federal Register Notices for Hurricane Irma.

The URA would only apply in this Program if the **BENEFICIARY** has a tenant residing at the property to be acquired and demolished. Beneficiaries residing in the property to be acquired are not eligible for assistance under the Uniform Relocation Act.

XI. APPEALS AND COMPLAINT PROCESS

In accordance with 24 CFR 91 Citizen Participation Plan and 24 CFR 570.486(a) (7), HCDD Staff has developed the informal appeals and complaints process. Through the informal appeals process, applicants have a mechanism for requesting further review on a decision made on their file. Program policies are not appealable. In addition, citizens may file complaints - both formal and informal - which will be responded to within fifteen (15) business days.

A. INFORMAL APPEALS

The decision of HCDD Staff can be further reviewed through an agency informal appeals process. A party requesting an informal review must file a written request for informal appeal within thirty 30 days of the ineligibility determination. In an informal appeal, HCDD Staff will conduct investigations as necessary. In addition, any informal appeals hearings will be held, as necessary. The informal appeals hearing will be held via telephone with all involved parties on a conference call. After the request for an informal appeal is filed, the following events will occur:

- A Notice of Hearing will be sent via email (if available) or via mail, providing the date, time, and contact information for the scheduled hearing.

- Once the appeal hearing is complete, a decision of the result will be distributed in writing within ten (10) business days.

Citizens may file an informal appeal through HCDDcomments@coj.net or submit by mail to the following address:

City of Jacksonville – Neighborhoods Department
Housing and Community Development Division
214 N. Hogan Street, 7th Floor
Jacksonville, FL 32202

B. FORMAL APPEALS

The formal appeals process is stated in the Subrecipient Agreement between DEO and the City.

C. COMPLAINTS

The goal of HCDD is to resolve citizen complaints and inquiries in a manner that is both sensitive to the complainants' concerns and to achieve a fair result. HCDD Staff will treat all citizens with respect and respond to complaints and inquiries within fifteen (15) business days, where practicable. Information on how to file a complaint will be available on the website and at the HCDD office.

All complaints and inquiries that are brought forward will be addressed by HCDD Staff. Complaints are any verbal or written statement of grievance – including phone calls, emails, faxes, or letters that are received by the City. Inquiries are requests for information or assistance. All complaints and inquiries that are received will be reviewed by HCDD staff and the following steps will be taken:

1. Investigation, as necessary;
2. Resolution; and/or
3. Follow-up actions.

Complaints that are not able to be resolved quickly shall be documented and saved in an electronic file that includes the following information:

- Name and contact information
- Date of complaint
- Description of complaint
- Summary of results

The City of Jacksonville's Office of the Ombudsman is also available to assist with the resolution of any complaints if necessary. The contact information for the Office of the Ombudsman is as follows:

Angie Dixon, Ombudsman
214 N. Hogan Street, 8th Floor
Jacksonville, FL 32202
904-255-8713
adixon@coj.net

XII. MONITORING

A. MONITORING STRATEGIES AND PROCEDURES

The City has a current monitoring process which includes several layers of approvals before funds are expended. This process includes multi-level review of funds usage. These reviews occur throughout the organization, from the front-line contractor(s), the City's inspectors, the Program Manager, the City's Procurement Office, the HCDD Finance Staff and the City's Accounting Division. At every level of the process, there is an evaluation made to determine that the use of funds is legitimate and in keeping with the requirements of the governing policies, procedures, rules, regulations, ordinances and laws. If any other determination is reached, the use of funds is delayed until further information is obtained. If additional information does not result in a positive determination, the use of funds for that purpose will not be allowed.

Because HCDD Staff will be directly overseeing the delivery of all CDBG-DR activities, monitoring will be an on-going effort. The Program Manager will monitor all contractors including direct review and approval of all contractor invoices. The Program Manager and Rehab Specialist will conduct periodic on-site monitoring and a County Building Inspector will conduct inspections for each property involved in the CDBG-DR housing programs. In addition, the Program Manager will directly oversee quality control related to client application, file management, contractor relations with homeowners as well as the public reporting requirements described below.

Additionally, DEO and their consultants will conduct periodic audits of the Program for financial, operational, or programmatic purposes. HCDD Staff will provide all requested documentation to DEO to assist in their audit and will promptly respond to any inquiries for additional information. Any findings of non-compliance will be corrected within thirty (30) days from the date that the Monitoring Report is issued by DEO.

B. ANTI-FRAUD POLICY

As a steward of public funds, the City actively works to combat fraud, waste and abuse in its programs. Any discovered, suspected or reported fraud, waste and abuse within the CDBG-DR program shall be documented and reviewed. Allegations of waste, fraud, misconduct, mismanagement or other abuses in county or municipal government may be reported to and investigated by the Office of Inspector General. The Office of Inspector

General will determine whether complaints should be forwarded to the HUD OIG Fraud Hotline. The contact information for the Office of Inspector General is as follows:

Office of Inspector General
231 E. Forsyth Street
Suite 470
Jacksonville, FL 32202
904-255-5800
InspectorGeneral@coj.net

XIII. CONSTRUCTION STANDARDS

Housing units assisted with CDBG-DR funds must meet all applicable local and state codes and ordinances at the time of project completion. All deficiencies identified in the final inspection must be corrected before final payment is released. All demolished units must meet construction standards based on the Florida Building Code (FBC) and must meet or exceed applicable requirements.

XIV. CONFLICT OF INTEREST

A. CITY EMPLOYEES

Participation in the Program by City employees is not considered a conflict of interest; however, City employees are prohibited from receiving preferential treatment. Employees must meet all eligibility requirements and that their participation cannot violate 24 CFR § 570.611.

City employees within the Neighborhoods – Housing and Community Development Division that have any direct responsibilities regarding the Program are not eligible to participate.

Family members of City employees are not prohibited from participating in the Program; however, family members must identify his/her relative who works for the City and the family member is prohibited from receiving preferential treatment.

B. 24 CFR § 570.611 CONFLICT OF INTEREST

(a) Applicability. (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict-of-interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply. (2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to

Sec. 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to Sec. 570.203, 570.204, 570.455, or 570.703(i)).

(b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) Persons covered. The conflict-of-interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, considering the cumulative effects of paragraph (d)(2) of this section.

(1) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation:

- (i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
- (ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, considering the cumulative effect of the following factors, as applicable:

- (i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available;
- (ii) Whether an opportunity was provided for open competitive bidding or negotiation;

- (iii) Whether the person affected is a member of a group or class of low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- (iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
- (v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section.
- (vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- (vii) Any other relevant considerations.

XV. FAIR HOUSING AND ACCESSIBILITY

A. OVERVIEW

Recipients of federal funds and their activities must comply with all of the following federal laws, executive orders, and regulations pertaining to fair housing and equal opportunity. They are summarized below:

- Title VI of the Civil Rights Act of 1964, as Amended (42 U.S.C. 2000d et seq.):
The Act states that no person may be excluded from participation in, denied benefits of or subjected to discrimination under any program or activity which receives Federal financial assistance based on race, color or national origin. The regulations implementing the Title VI Civil Rights Act provisions for HUD programs may be found in 24 CFR Part 1.
- The Fair Housing Act (42 U.S.C. 3601-3620): Prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person based on race, color, religion, sex, national origin, handicap or familial status. Furthermore, section 104(b)(2) of the Act requires that each grantee certify to the secretary of HUD that it is affirmatively furthering fair housing. The certificate specifically requires actions to overcome the effects of any impediments identified and maintain records on the analysis, plan and actions in this regard. Regulations implementing the Fair Housing Act for the HUD Programs may be found in 24 CFR Part 100-115.
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259): Prohibits discrimination against individuals based on race, color, religion, sex or national origin in the sale, rental, leasing or other disposition of residential property, or in the use or occupancy of housing assisted with Federal funds. Equal Opportunity in Housing regulations may be found in 24 CFR part 107.

- Age Discrimination Act of 1975, as Amended (42 U.S.C. 6101): Prohibits age discrimination in programs receiving Federal financial assistance. Age Discrimination Act regulations may be found in 24 CFR Part 146.
- Section 109 of Title I of the housing and Community Development Act of 1074: Requires that no person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded with CDBG funds on the basis of race, color, religion, national origin or sex.

XVI. LABOR STANDARDS

A. LABOR LAWS

Equal Employment Opportunity: Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR 60-1.3 must include the equal opportunity clause provided under 41 CFR 60- 1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR Part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

Copeland (Anti-Kickback) Act (18 U.S.C. 874 and 40 U.S.C. 3145): Makes it unlawful to induce, by force, intimidation, threat of procuring dismissal from employment, or otherwise, any person employed in the construction or repair of public buildings or public works, financed in whole or in part by the United States, to give up any part of the compensation to which that person is entitled under a contract of employment. The Copeland Act also requires each contractor and subcontractor to furnish weekly a statement of compliance with respect to the wages paid each employee during the preceding week.

Contract Work Hours and Safety Standards Act, as Amended (40 U.S.C. 3701-3708): Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer based on a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies

or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

Fair Labor Standards of 1938, as Amended (29 U.S.C. 201, et seq.): Establishes the basic minimum wage for all work and requires the payment of overtime at the rate of at least time and one-half. It also requires the payment of wages for the entire time that an employee is required or permitted to work and establishes child labor standards.

Procurement: For the City of Jacksonville, procurement standards of 24 CFR 85.36 apply.

Section 3 (24 CFR 75): Section 3 of the Housing and Urban Development Act of 1968, contributes to the establishment of stronger, more sustainable communities by ensuring that employment and other economic opportunities generated by HUD financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward low- and very low-income persons, particularly those who receive HUD financial assistance for housing and those residing in communities where the financial assistance is expended. To the greatest extent feasible, recipients of HUD CDBG-DR funds should provide (a) employment and training, and (b) contracting opportunities for low- or very-low income residents in connection with construction projects in their neighborhoods. Section 3 projects include housing construction, including demolition activities, assisted under CDBG-DR programs when the project exceeds \$200,000. While the Hurricane Irma Voluntary Home Buyout Program does not expect to trigger Section 3 on any of its projects, the City of Jacksonville will encourage activities consistent with Section 3 goals and objectives.

XVII. MISCELLANEOUS

A. NON-DISCRIMINATION

Please see the *Jacksonville Equal Employment Opportunity Ordinance*.

B. CITIZEN PARTICIPATION

Effective communication is paramount to the successful delivery of public programs. The City will utilize multiple platforms to ensure information regarding the Program is received throughout the service area. The City's *Citizen Participation Plan* is available on the City's Website.

C. DEBARMENT

Federal funds may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor or subrecipient during any period of debarment, suspension or placement of ineligible status. All contractors, subcontractors, lower-tier contractors and sub-

contractors should be checked against the Federal publication that list debarred, suspended or ineligible contractors. Further information may be found at 24 CFR Part 24 570.609.

Please also see the *Ordinance Code for the City of Jacksonville, Section 126.201 – Contractor Debarment*.

The Procurement Division checks the Federal list of debarred contractors once bids are received. Bids from debarred contractors will not be accepted or forwarded on to the Program Manager for review.

Debarment and Suspension (Executive Orders 12549 and 12689): A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

D. ANTI-LOBBYING

Byrd Anti-Lobbying Amendment (31 U.S.C. 1352): Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.