



MISSISSIPPI HOME CORPORATION

HOME Investment Partnerships Program

2021

Homeowner Rehabilitation Phase II

Application Manual

**735 Riverside Drive
Jackson, Mississippi 39202
601-718-4642**

www.mshc.com



Table of Contents

I.	HOMEOWNER REHABILITATION	
A.	Phase II Application Process.....	3
B.	Award Public Notifications – Second Public Hearing.....	3
C.	Written Grant Agreements.....	4
D.	Submission of Applications.....	4
E.	Homeowner Requirements.....	4
F.	Manufactured Housing Units.....	5
G.	Homeowner Rehabilitation Activities.....	5
II.	PROJECT DOCUMENTATION	
H.	Homeowner Rehabilitation Specific Information.....	9
I.	Environmental Checklist.....	10
J.	Homeowner Rehabilitation Application.....	11
K.	Relocation-Displacement Waiver Form.....	13
L.	Affordability Period.....	14
	IMPLEMENTATION MANUAL	
A.	Overview	18
B.	Responsibilities of the Recipient.....	20
C.	Avoiding Problems	21
I.	PROJECT MANAGEMENT	
A.	Contracts/Special Conditions	25
B.	Contract Amendments/Budget Modifications/Contract Extensions	35
C.	Requests for Cash.....	40
	1 – Request for Cash Instructions	41
	2 – Request for Cash Forms	44
D.	Notice to Proceed	47
E.	Recordkeeping.....	48
F.	HOME Regulations.....	52
G.	Monitoring/Close-Outs/Record Retention	53
II.	GENERAL AREAS OF COMPLIANCE	
A.	Environmental.....	55
B.	Procurement.....	106
C.	Fair Housing/Equal Opportunity	111
D.	Section 3	120
E.	E-Verify	141
	APPENDIX	
	Change Order	
	Builder’s Warranty	
	Notice of Expiration of Builder’s First Year of Warranty	
	Homeowner Acceptance Certification	
	Close-Out Package	

I. HOME HOMEOWNER REHABILITATION

A. PHASE II APPLICATION PROCESS

Phase II of the HOME Homeowner Rehabilitation process is the phase in which local units of government have been awarded a grant. At this time, local units of government must proceed with the selection process of eligible homeowners to participate in the program. Information must be obtained on each owner-occupied unit. All required homeowner information must be submitted in Phase II which includes the following:

Required documentation:

- Phase II Local of Unit Government Application Checklist
- Homeowner Unit Checklist
- Homeowner Rehabilitation Specific Information
- Homeowner Rehabilitation Application
- Employment Verification Form
- Homeowner Environmental Checklist
- HOME Homeowner Rehabilitation Activity Completion Schedule
- Lead-Based Paint Checklist Form

B. AWARD PUBLIC NOTIFICATIONS - SECOND PUBLIC HEARING

Local units of government must inform citizens of being awarded a 2021 Homeowner Rehabilitation grant. The following methods must be followed:

- On-site public meetings will be waived during the 2021 Phase II application period. However, public notification must be made within 15 days of being notified of the 2021 HOME award. The same method of notifying the public which was used for Phase I must be followed. Publication in the general circulation is required, however, publication of fourteen (14) and no more than twenty (20) calendar days rule is **not applicable**. Notification must include the contact person's name and telephone number for inquiring citizens. Recipients are encouraged to use additional methods to notify citizens.
- Records of all calls and request must be retained in the local files. These records must include a **copy of the actual notice, list of inquires including names and telephone numbers, and a copy of the minutes from the meeting which bears the signature of the recipient's Chief Executive Officer.**

C. **WRITTEN GRANT AGREEMENTS**

Upon being awarded a HOME Grant, a binding contract is executed between Mississippi Home Corporation and the local unit of government for the specific awarded amount and specific eligible HOME activities. MHC will issue written grant agreements after the commencing of the Phase II Environment Assessment Clearance. The contract is an important document throughout the project. It identifies the description of the activities funded, budgeted costs, general terms and conditions, and any special conditions which must be met before MHC will release funds.

D. **SUBMISSION OF APPLICATIONS**

Applications identifying Homeowners are due October 4, 2021, by 3:00 p.m. Information must be submitted to Jackie Cobbins, Mississippi Home Corporation, 735 Riverside Drive, Jackson, MS 39202, via hand delivery, USPS, Federal Express or UPS.

APPLICATION FORMAT

Applications are **required** to be submitted in the following format:

- **One (1) original**
- **Bind all documents securely together in an 8.5 x 11 in. or 8.5 x 14 in. folder. Applications will be returned if not properly bind and secured.**
- **All sections of the application must be separated with tabs identifying the information contained in each section.**

E. **HOMEOWNER REQUIREMENTS**

In the Homeowner Rehabilitation category, property must have been owned by the homeowner for at least one (1) year. All deeds and other legal documentation relative to the property described in the application must have been **signed, recorded, and filed** in the appropriate court within 12 months prior to application submission.

MHC will allow units with mortgage liens to participate in the homeowner rehabilitation activity. The unit must be the homeowner's primary residence and the homeowner must have resided in the home for a minimum of fifteen years. Mortgage payments, property insurance, and property taxes are required to be current. **A letter from the homeowner's mortgage company, verification of current mortgage payments, proof of current property insurance and property taxes must be submitted along with the homeowner's application.**

Properties submitted as reconstruction must be clear and free of any debt, mortgages, liens, or land balances.

Homeowner applications must include current color photographs of each health and safety hazards: electrical, foundation, roof, plumbing, and heating/cooling. Due to Covid19, inside photographs may be waived if individual capturing photos does not feel safe. However, if comfortable entering homeowner unit, the following photographs must be included: entire kitchen, family/great/living room, bedrooms, and all bathrooms. Each photograph must indicate homeowner's name and physical address. If street numbers are not available, a narrative location must be provided with the photographs. A room-by-room detailed cost analysis must be provided for the existing unit to be rehabilitated or reconstructed, listing the items to be addressed.

Homeowner's applications must certify in writing that the number of household members and gross income are correct to the best of his/her knowledge. Homeowners must be made fully aware that their current existing home will be demolished.

F. MANUFACTURED HOUSING UNITS

Applicants of owner-occupied manufactured housing units must show proof of ownership of the unit for a minimum of one year and a warranty deed showing sole ownership of the land where the manufactured unit is located.

Units that are replaced with a new manufactured home using HOME funds, must be connected to permanent utility hookup, at the time of completion. Also, the unit must be located on land that is owned by the homeowner. The unit must be the principal residence of the homeowner.

A detailed cost analysis is required on all manufactured housing units. Manufactured units may be replaced with another manufactured unit or modular home.

G. HOMEOWNER REHABILITATION ACTIVITIES

According to 24 CFR Part 92.205 (e) if a HOME assisted project is terminated before completion, either voluntarily or otherwise, this constitutes an ineligible activity and any HOME funds invested must be repaid to MHC using non-federal sources. For example, if Title Opinion indicates debt/lien/encumbrances on the property, this would result in ineligible costs.

Purpose - Homeowner Rehabilitation activities are used to provide safe, decent, and affordable housing to low and very low-income homeowners submitted in the application that has been approved for funding. These funds will be used for the purpose to reconstruction, rehabilitation, or replacement of manufactured homes.

Household Eligibility – The use of Homeowner Rehabilitation funds requires that all household members be determined eligible for HOME funds. Any household member that is not a legal resident alien or status of application is not acceptable and constitutes ineligibility for the entire household.

Documentation must be provided to indicate the household is the principal residence for at least one (1) year prior to application due date.

Income Eligibility – The household must be low income with an annual (gross) income that does not exceed 80 percent of median income for the area and must occupy the property as a principal residence. MHC has adopted Part 5 Income Determination Method definition of annual income as the method in which income should be calculated.

Proof of annual income will be calculated by verifying a **minimum of three (3) consecutive months of source documents** (e.g., wage statement, interest statement, and unemployment compensation statement). The gross amount of income of all adult household members that anticipate to receiving HOME funds must be included.

Income Limits – Published by HUD annually and can be found in the appendix and at the following address: https://www.huduser.gov/portal/datasets/home-datasets/files/HOME_IncomeLmts_State_MS-2021.pdf

Ownership Eligibility – Homeowner ownership consists of a fee simple title, 99-year leasehold interest (50-year leasehold on trust or restricted Indian land), condominium, or own or have membership interest in a cooperative or mutual housing project that constitutes homeownership under state law. A copy of the Deed must be provided. A title search will be required to prove ownership. There must be no liens, encumbrances, or other debt against the home.

Property Eligibility – Property must be a single-family home.

Property Standards – All HOME assisted housing must meet all applicable state and local housing standards and code requirements according to 24 CFR 92.251(a)(1). Recipients are responsible for ensuring if a local code exists, then the local authorized official must indicate the property complies with local code. For rehabilitation activities, properties must comply with MHC Rehabilitation Standards.

In addition, MHC requires that all new constructed projects must meet the accessibility requirements in 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131- 12189) implemented at 28 CFR parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). Rehabilitation may include improvements that are not required by regulation or statute that permit use by a person with disabilities. Lead based paint requirements of 24 CFR part 35 must also be met.

After Rehabilitation Value – The value of the HOME-assisted property after Rehabilitation must not exceed 95% of the median purchase price of the area. This information must be indicated on the HOME Homeowner Rehabilitation Completion Report.

Inspections – All inspections must be scheduled through MHC at 601-718-4635. Unit inspections must be performed within three (3) days of completion of work. The inspector MUST ensure that all code compliance, contract compliance, and construction qualities are met.

Rehabilitation Activities – Inspections will be conducted based on the work write-up. The frequency will be determined on the amount of work required for each home unit.

Reconstruction Activities – Inspections will be conducted in three stages (at a minimum): foundation, framing, and completion.

Progress inspections must be performed, and work approved prior to submitting the contractor's request for payment.

Recordkeeping – Complete project files must always be in the possession of the Recipient. HOME project files must be retained for five (5) years after the official close-out of the project.

II. PROJECT DOCUMENTATION

PHASE II LOCAL UNIT OF GOVERNMENT APPLICATION CHECKLIST	
1. Budget Summary	<input type="checkbox"/> Attached
2. Project Completion Schedule	<input type="checkbox"/> Attached
3. Map identifying location of ALL units	<input type="checkbox"/> Attached
4. Local Housing Code	<input type="checkbox"/> Attached
5. Displacement Information	<input type="checkbox"/> Attached
6. Executed Supportive Services Commitment MOUs	<input type="checkbox"/> Attached
7. Authorized Signature(s) Letter	<input type="checkbox"/> Attached
8. Policies and Procedures	<input type="checkbox"/> Attached

HOMEOWNER UNIT CHECKLIST	
1. Homeowner Information	<input type="checkbox"/> Attached
2. Environmental Checklist	<input type="checkbox"/> Attached
3. Homeowner Application Form	<input type="checkbox"/> Attached
4. Activity Completion Schedule	<input type="checkbox"/> Attached
5. Homeowner Package a. Proof of Ownership b. Income Determination (3 consecutive months or most recent benefits statement) c. Proof of Occupancy d. Proof Property Taxes are current or exemption e. Part 5 Income Calculation Worksheet f. Lead Based Paint Form	<input type="checkbox"/> Attached
6. Photographs of Dwelling a. Full Front, Back and Side View b. Foundation (Front, Back and Side) c. Entire Kitchen d. Bathroom(s) e. Family/Great/Living Room f. Bedroom(s) g. Electrical h. Roof	<input type="checkbox"/> Attached
7. Room by room inspection HUD Form 52580	<input type="checkbox"/> Attached
8. Age of Unit	<input type="checkbox"/> Attached
9. Displacement/Relocation Information	<input type="checkbox"/> Attached
10. Documentation of water/sewer availability	<input type="checkbox"/> Attached

HOMEOWNER REHABILITATION INFORMATION

1. Has homeowner received prior HOME assistance? If yes, provide detail information.
☐ Yes ☐ No
2. Environmental Checklist.
3. Homeowner Application for each unit to be addressed.
Form must be completed in its entirety.
4. Detailed Budget Summary.
5. Proof of ownership and primary residence documentation.
 - copy of warranty deed, quitclaim deed, etc.
 - electric, gas and/or water bill (that include a **consecutive 12-month** billing history)
 - **Leases are not eligible for manufactured homeowners.**
6. Provide legible map showing the location of the homeowner units, pictures and addresses of each unit to be addressed.
 - Include pictures of each safety and/or health hazard to be addressed on each unit
7. Provide number of beneficiaries of each unit and verification of monthly income. Income documentation must be submitted with application.
 - Three (3) consecutive months of income must be verified and/or the most recent benefits statement.
Copies of bank statements will not be accepted for proof of income. Households must indicate an adequate amount of income to sustain the home.
8. Part 5 Income Calculation Worksheet along with income verification.
9. Property taxes documentation paid in full or exempt status.
10. Room-by-room inspection (HUD Form 52580) on condition of existing house and photographs.
11. Reconstruction activities must have adequate space for each property. Reconstruction allows for the replacement of the housing unit on the same footprint. Consideration must be given to Mississippi Department of Health requirements for septic system installation/improvements. Indicate any issues/concerns that may arise out of this requirement.
12. Will temporary displacement be required? If yes, provide details.
☐ Yes ☐ No
13. Have homeowner been displaced within the last 12 months? If yes, provide details.
☐ Yes ☐ No
14. Does applicant have a local adopted housing code? If yes, provide a copy.
☐ Yes ☐ No
15. Activity Completion Schedule.
16. Executed Supportive Services commitment documentation.

HOMEOWNER ENVIRONMENTAL CHECKLIST

Homeowner Name: _____	
Homeowner Address: _____	
Date Checklist Completed: _____	
<p>This preliminary environmental checklist is designed to make the applicant aware of major environmental concerns that should be addressed in project planning and budgeting. Each successful applicant will be required to prepare an environmental review record, and if appropriate, an environmental assessment in accordance with the National Environmental Policy Act of 1969, as amended. The environmental assessment involves an examination of the environmental conditions and circumstances that exist at the location of the project and a determination of project impact on those environmental conditions. In addition, each project must be reviewed for compliance with other applicable environmental laws and regulations. If any of the following questions elicit an affirmative response, additional information must be provided as part of the environmental review.</p>	
1. Is the property located within a flood hazard area, wetland, or coastal zone?	<input type="checkbox"/> Yes <input type="checkbox"/> No
List activities to be carried out in a flood hazard area, wetland, or coastal zone.	
2. Will the property require the dredging or filling of any waterway/body?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Will the property be located near a source of noise pollution, within the accident potential zone of military or civil airport, near a major highway, railroad, chemical storage tank, sanitary landfill site, area of potential landslide or unsuitable soil conditions, nuclear waste dump, or any other such natural or manmade safety hazard?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Will the property adversely affect the air/water quality of the area?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Is the property located in or adjacent to an area listed on the National Register of Historic Places? (Date National Register checked)	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is the structure 50 years old or older within or adjacent to the?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, will any of these historic places be affected either physically or visually by the project?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Will any grave sites or archeological sites be affected by the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Will any endangered plant or animal species (or its habitat) be affected by the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Will the property destroy or adversely affect any prime and unique farmlands?	<input type="checkbox"/> Yes <input type="checkbox"/> No

MISSISSIPPI HOME CORPORATION (MHC)
HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM

HOMEOWNER REHABILITATION APPLICATION

Entire Application MUST Be Completed

City/Town/County Applicant: _____ Date: _____

Name: _____ Age: _____ Sex: _____ Race: _____

Social Security #: _____ (Last 4 digits Only) Head of household? _____

Total number currently living in household: _____

Number handicapped: _____

Address: _____ City: _____
Number and Street

Phone number: _____

How long have you owned your home? _____ Total number of bedrooms _____

Is this a manufactured home? ☐ Yes ☐ No Is there a deed or bill of sale? ☐ Yes ☐ No

Do you own the land? ☐ Yes ☐ No

Total monthly amount of all income for all household members: _____
(3 consecutive months or most recent Social Security or Retirement benefits statement)

List others living in the household, indicate the relationship to homeowner and include **all** income and income verification.

Name: _____ Age: _____ Relationship _____

Income: _____ Source: _____

Name: _____ Age: _____ Relationship _____

Income: _____ Source: _____

Name: _____ Age: _____ Relationship _____

Income: _____ Source: _____

Name: _____ Age: _____ Relationship _____

Income: _____ Source: _____

I understand that my home will be rehabbed or reconstructed. If reconstructed, the current dwelling will be demolished and a new home constructed on the same lot: ☐ Yes ☐ No

I understand if my home is rehabbed, I must occupy my home for 5 years or funds will be repaid according to the time I have occupied the unit. ☐ Yes ☐ No ☐ N/A

I understand if my home is reconstructed, I must occupy my home for 10 years or funds will be repaid according to the time I have occupied the unit. ☐ Yes ☐ No ☐ N/A

I also understand that if I live in a manufactured home, it will be replaced with a new manufactured home: ☐ Yes ☐ No ☐ N/A

If I maintain ownership, I agree not to lease or rent my home ☐ Yes ☐ No

I certify that all the information provided is true and correct to the best of my knowledge. It is further certified that neither I nor any member of my household, is related to or employed by any member(s) of the local unit of government.

WARNING: Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.

I/We understand that my personal information may be used by Mississippi Home Corporation (MHC) for reporting and tracking purposes on the funding provided by the HOME Investment Partnerships Program. MHC staff is required to comply with securing personal and confidential information.

Signature of Applicant

Date

Signature of Applicant

Date

Signature of Applicant

Date

<p align="center">2021 Phase II HOME Homeowner Rehabilitation Homeowner Relocation-Displacement Waiver Form</p>
--

Local Unit of Government: _____ Date: _____

Name: _____ Age: _____ Sex: _____ Race: _____

Address: _____ City: _____
Number and Street

Phone Number: _____

I _____, the undersigned,
Homeowner

_____ Choose to remain in my home while rehabilitation work by the
_____ is being performed.
Local Unit of Government

_____ Choose to relocate to another location while the work is being performed.

The City/County/Town has informed me of my rights under the Federal Relocation law. I have elected to remain in my home during the rehabilitation. I have made this choice having read and understood the following:

1. I am the homeowner of the above address
2. I have been given a description of work that will be done in/on my home, and I understand that during the work, lead hazards may be created in the work area. These issues will be fixed before the job is considered complete.
3. I may stay in my home, but I may not enter the work area while the work is being performed.
4. Only the items indicated on the MHIB Inspectors work write-up report will be addressed.

Homeowner: _____ Date: _____

Project Administrator: _____ Date: _____

Elective Official _____ Date: _____

AFFORDABILITY PERIOD

The Homeowner Rehabilitation program imposes affordability requirements that must be met well beyond the initial investment of HOME funds. MHC enforces the period of Affordability by securing through self-enforcing legal mechanisms (deed restriction). The deed restriction is recorded and file with the Chancery Court within the area where HOME funds are invested. MHC conducts periodic monitoring to ensure occupancy as the owner's principal residence. A copy of the recorded deed restriction must be submitted to MHC with 45 days of the completion of the unit and prior to keys being transferred to the homeowner. This document is reviewed for recordkeeping during closeout monitoring visits for homeownership activities.

HOME Activity	Affordability Period
Homeowner Rehabilitation	5
Homeowner Reconstruction	10

RECAPTURE DEED RESTRICTION PROVISION

Name

Address

City/State/Zip Code

MHC adopted the Recapture Deed Restriction Provision. The homeowner must maintain the above address as his/her primary/principal residence throughout the period of the Recapture Affordability Period. **FAILURE TO MAINTAIN THIS PROPERTY AS THE PRIMARY/PRINCIPAL RESIDENCE FOR THE PERIOD OF AFFORDABILITY WILL RESULT IN THE RECAPTURE OF HOME FUNDS.** An annual verification will be conducted by MHC to determine primary residency.

In the case of foreclosure, sale or refinance it will be the responsibility of the lender and/or Recipient to notify MHC and follow HUD's guidelines for "recapture provisions" as outlined in the Deed Restriction. Recaptured funds must be submitted to MHC along with a letter of explanation. (Exhibits A and B)

EXHIBIT A

Prepared by, and after recording, return to:

Indexing Instructions:

STATE OF MISSISSIPPI

COUNTY OF _____

RECAPTURE
DEED RESTRICTION
HOME Investment Partnerships Program

Phone: _____

STATE OF MISSISSIPPI

COUNTY OF _____

The undersigned _____ ("Owner(s)"), is/are the owner(s) of certain real property and improvements located at, in _____ (City/Town), _____ (County), Mississippi and more particularly described on **Exhibit A attached** hereto and incorporated herein for all purposes (the "Property"). For value received, the adequacy and sufficiency of which are hereby acknowledged, Owner does hereby impress the Property with the following deed restrictions.

Signature

Date

Signature

Date

Signature

Date

Notary

Date

EXHIBIT B

Description of Property

Filing instructions to Clerk:



MISSISSIPPI HOME CORPORATION

HOME Investment Partnerships Program

2021

Homeowner Rehabilitation Phase II

Implementation Manual

**735 Riverside Drive
Jackson, Mississippi 39202
601-718-4642**

www.mshc.com



A. OVERVIEW

Statutory:

The Mississippi HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for homeownership or providing direct rental assistance to low-income people. It is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low and very low-income households.

The program was designed to reinforce several important values and principles of community development:

- HOME's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.
- Emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.
- Technical assistance activities and set-aside for qualified community-based nonprofit housing groups builds the capacity of partnerships.

Purpose:

The Mississippi HOME Investment Partnerships Program (HOME) Implementation Manual is a collection of guidance and instructional materials, pertinent information, forms, requirements, and other data necessary for implementing a successful HOME Homeowner Rehabilitation project. This manual is designed to facilitate, modify, and update its contents as program changes transpire that impact the implementation process. HOME is authorized under [Title II of the Cranston-Gonzalez National Affordable Housing Act](#), as amended. Program regulations are at [24 CFR Part 92 Revised July 23, 2013](#). The HOME program final rule and is available electronically at www.hudexchange.info/programs/home/home-final-rule/.

Objectives:

The objectives are to assist the recipient in accomplishing the following:

- a. ensuring compliance with federal and state regulations;
- b. carrying out individual activities, as indicated in the executed written agreement;
- c. carrying out the project in a timely manner;
- d. implementing the project with control over program and financial performance and in a manner, which minimizes the opportunity for mismanagement, fraud, or waste; and
- e. improving program performance, developing greater self-reliance, and augmenting management and technical capacity.

Applicability:

The implementation of this manual applies to the HOME Program regulations as authorized by the National Affordable Housing Act of 1990 as amended and all State Policies and Procedures.

Audience:

All program participants persons involved in the implementation of HOME Rehabilitation activities should utilize this manual. The manual addresses program areas of compliance, which include Environmental, Procurement, Financial Management, Fair Housing/Equal Opportunity, Citizen Participation, Homeowner Rehabilitation, and Section 3.

Recipient Approach to Implementation Process:

Recipient should view the implementation of a HOME project as a continuous learning process. It is the responsibility of the Recipient and its affiliates to comply with regulations and policies related to the HOME Program. If there are areas which are questionable, the Project Manager should be consulted, and MHC will make the final decision.

Once an award notice of HOME assistance has been received, the grantee must perform the following:

- The Environmental process should begin **immediately after** the Phase II homeowner eligibility notifications are awarded in order to meet the necessary federal requirements. All funded projects are required to complete environmental procedures.
- HOME activities for Homeowner Rehabilitation must begin within twelve (12) months of the contract execution date.
- Upon completion and approval of the environmental, the procurement process should begin for all services (legal, asbestos, survey, lead based paint, and contractors) required for the project. Instructions for this process are outlined in the procurement section of this manual.
- A financial management system (receipt and disbursement journal) must be established regarding budgeted line items contained in the contract. The amount of the HOME funds approved in the contract budget must be closely monitored in order to avoid exceeding an amount in any line item.
- Implement the project in accordance with HOME regulations and Policies and Procedures developed for the program.

Recipient should carefully review the written agreement in order to become familiar with all terms and conditions contained therein; i.e., budget, Special Conditions, length of grant period, etc. The chief elected official of the local unit of government will execute the written agreement.

When that official affix his/her signature to the HOME written agreement, he/she is agreeing to abide by all State and Federal rules and regulations associated with carrying out the activities of the project through close-out of the project.

- Written agreements that require written clearance of Special Conditions should begin at this time. Some examples of Special Conditions that require written clearance are as follows:
 - Environmental Clearance
 - Policies, Procedures and Guidelines (adopted by the Board)
 - Detailed Project Completion Schedule
 - Start-up Letter
 - Status of Program Income
 - Authorized signature letter, if other than Chief Elected/Executive Officer
 - Resolution adopting Section 3 Plan
- Local elected officials must determine if their staff can perform the administrative services required to implement the project or if an outside administrator is needed. If an outside administrator will be used, the administrator must be selected in accordance with 24 CFR Part 85 Procurement requirements. Contracts for administrative services may be signed before environmental clearance is received, as administrative activities are exempt from environmental requirements. **Other service providers may be selected before environmental clearance is received, but contracts may not be signed.** Planning and Development Districts are exempt from procurement regulations according to the Bollinger Memo

B. RESPONSIBILITIES OF THE RECIPIENT

24 CFR Part 92 of the HOME Program describes policies and procedures applicable to the HOME funds distributed to local units of government.

It is the responsibility of the Recipients and all parties involved in each HOME activity to enforce all obligations and regulations in complying with the intent of Congress as declared by the National Affordable Housing Act.

Recipients and project administrators must assure that HOME activities undertaken meet the primary objectives of the Act, this regulation, and the State's HOME Program objectives.

According to 24 CFR Part 92.205 (e) if a HOME assisted project is terminated before completion, either voluntarily or otherwise, this constitutes an ineligible activity and any HOME funds invested must be repaid to MHC using non-federal sources. For example, if Title Opinion indicates debt/lien/encumbrances on the property, this would result in ineligible costs.

If MHC determines that HOME funds have failed to comply with any provision of this subpart, MHC shall notify the chief elected or executive official of the noncompliance and

shall request that officer secure compliance in a timely manner, otherwise, funds will be repaid using non-federal funds.

Should the local unit of government fail or refuse to secure compliance, MHC may take the following action:

- withdraw the grant;
- demand the Recipient to repay expended funds to the State from local, non-federal funds. Until such funds are repaid, the Recipient and the Project Administrator will become ineligible participants in **ALL** programs funded through the MHC.

Local Units of Government are required to comply with State Law as it relates to the amount of surety bond required by elected officials and those that hold public office and handle or have custody of any public funds. The maximum amount required is \$100,000 for elected officials.

C. AVOIDING PROBLEMS:

It is the responsibility of the Recipient to perform the activities of a HOME project in accordance with the National Affordable Housing Act of 1990, as amended. The Recipient or its designated administrator must ensure that HOME project activities are carried out to avoid problems that violate the intent of the Act. **Although the duties may be delegated by the elected officials, the ultimate responsibility for compliance rests with the local unit of government's officials. Recipients must maintain all documentation associated with the HOME Contract and the activities undertaken.**

Listed below are common problems that recipients of HOME projects should try to avoid:

Environmental

- a. Ensure Environmental Clearance prior to executing contracts with procured professional service providers.
- b. Service contracts were executed prior to environmental clearance by MHC, apart from contracts for administrative services.
- c. The Finding of No Significant Impact (FONSI) was published before clearance from the Department of Archives and History.
- d. Environmental notices were not disseminated to all appropriate agencies.

Procurement

- a. Requests for Proposals were not published according to regulations.
- b. Two or more minority/female owned businesses were not solicited by certified mail for all professional services.

- c. Mississippi Procurement Technical Assistance Program (MPTAP) was not notified of the Request for Proposals for required services over \$50,000.
- d. After last published date, the following required number of working days was not allowed:
 - i. Contracts over \$5,000 and less than \$50,000 - 7 days,
 - ii. Contracts over \$50,000 - 15 days.
- e. All applicable clauses were not included in the contract.
- f. Technical evaluations were not conducted for professional proposals.
- g. A contract was awarded to a single bidder without soliciting additional proposals.
- h. Multi-service contracts were awarded.

Fair Housing/Equal Opportunity (FHEO)

FHEO posters (English and Spanish versions, Vietnamese may be required in areas where this population is present) were not displayed at Recipients' official place of conducting business.

Solicitations were not distributed by certified mail.

Section 3

All Section 3 covered contracts did not include the following clause (referred to as the Section 3 clause):

1. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by Section 3 shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance.
2. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
3. The contractor agrees to send each labor organization or representative of worker with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or worker's

representative of the contractor's commitments under this Section 3 clause and will post copies of a notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the following: 1) the Section 3 preference; 2) the number of jobs and job titles subject to hire; 3) the availability of apprenticeship and training positions, listing the qualifications for each, and the name and location of the person(s) taking applications for each of the positions; and 4) the anticipated date the work shall begin.

4. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135.
5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.
6. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of contract for default, debarment, or suspension from participating in future HUD assisted contracts.
7. With respect to work performed in connection with Section 3 covered Indian Housing Assistance, Section 7(b) of the Indian Self-Determination, and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indian-owned economic enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Financial Management

- a. Expenditure of funds was not supported by invoices or appropriate documentation.
- b. Funds were retained in the recipient's account for a period in excess of 15 days.
Non-compliance in this area constitutes a monitoring finding.
- c. Representatives of the Recipient were not adequately bonded.
- d. Journals and ledgers were not properly maintained.
- e. Project Setup and Completion IDIS forms not provided to MHC.

- f. Payment was made to service providers or contractors prior to work being performed.
- g. Program Income was not reported to MHC.
- h. Not maintaining accurate recordkeeping for individual activities.
- i. Files must be maintained on unsuccessful applicants.
- j. Request for Cash (RFC) completed incorrectly.
- k. Appropriate signatures not included on RFC.

I. PROJECT MANAGEMENT

A. CONTRACTS/SPECIAL CONDITIONS

Upon being awarded a HOME Grant, a binding contract is executed between Mississippi Home Corporation and the local unit of government for the specific amount awarded for specific eligible HOME activities. This contract is a very important document throughout the project. The contract identifies the description of the activities funded, budgeted costs, general terms and conditions, and any special conditions which must be met before the State will release funds.

HOME Assurances were signed and submitted with the application and now are part of the Contract. The signatory should review all the assurances again prior to signing the contract, as the signature indicates that he/she or his/her representation is ensuring compliance with all applicable laws, regulations, and other requirements of the HOME program.

There are four (4) important segments within the contract document the Recipient must be aware of. These are listed and further clarified below:

- 1. Contract Signature Sheet** - This cover sheet lists the Recipient, effective dates of the contract, sub-grant number, CFDA #, HOME funds awarded, and the attachments detailed below. This sheet is signed by the Executive Director or Executive Vice President & Chief Strategy Officer and requires the authorized signature of the Recipient.
- 2. General Terms and Conditions** - These terms and conditions cite program authority, rules, and regulations pertinent to all HOME grants.
- 3. Special Conditions** - These are applicable to all HOME grants. Most contracts will contain special conditions that are pertinent to certain activities. Special conditions that require written clearance prior to the request for the drawdown of HOME funds include the following:
 - (a) Start Up Letter** – resolution adopted by the Recipient’s board indicating construction activities will begin within nine (9) months of the contract effective date. Start of construction activities is defined as the first placement of permanent construction of a building on a site, or the pouring of slabs or footings.
 - (b) Policies, Procedures, and Guidelines** – adopted by the Recipient’s board how HOME activities will be carried out.
 - (c) Project Completion Schedule** – outline events, objectives, and completion of the project. Updates must be submitted to MHC when variances occur.
 - (d) For Recipients, Program Income** – any program income generated must be remitted to MHC, immediately. Recipients are required to submit a signed statement

certifying that program income was not generated and no anticipation of receiving program income.

(e) Environmental Clearance – satisfactory completion of environmental review and receipt by Recipient of a release of funds from MHC according to 24 CFR Part.

(f) Section 3 Plan – must be adopted by the Board and carried out during the implementation of the project.

Special Conditions Clearance must be submitted within four (4) months of contract effective date.

4. **Budget** - This section of the contract reflects the funds allocated to each project activity by line item.

SAMPLE LETTER

Organization's Letterhead

Jackie Cobbins
Homeowner Rehabilitation Coordinator
Mississippi Home Corporation
735 Riverside Drive
Jackson, Mississippi 39202

Dear Mrs. Cobbins:

This letter is to inform Mississippi Home Corporation of the authorized signature(s) for (Recipient) HOME Project Number _____. (Name(s) of Person(s) authorized to sign) have/has the authority to sign cash request forms, financial reporting worksheets, and other project related reports and documents related to this project.

Thank you for your time and attention to this matter.

AUTHORIZED SIGNATURES

Signature /Title

Signature/Title

I certify that the above person(s) is authorized as stated above and that the signatures are the original signatures of the person(s) so stated.

Chief Elected Officer

Homeowner Rehabilitation Policies, Procedures and Guidelines (Recipient)

1.0 Purpose and Intent

(Recipient) hereby sets forth the homeowner rehabilitation policies, procedures, and guidelines. The purpose of this document is to establish guidelines by which persons may obtain homeowner rehabilitation/reconstruction assistance. These policies apply to the HOME Investment Partnerships Program (HOME) Grant funded by the Mississippi Home Corporation (MHC). (Recipient) will comply with regulations as it pertains to proper procurement for all professional services, compliance with Citizen Participation requirements, compliance with Environmental regulations, compliance with Minority and Women Owned Business Enterprises regulations, Section 3 requirements, and regulations for activities which are being undertaken in the HOME program.

(Recipient) shall contract with a grant administrator to provide homeowner rehabilitation administrative services to comply with 24 CFR Part 92 to include, but not limited to the following:

- Determine household eligibility, if more than 6 months has elapsed before HOME funds were committed
- Advertise and assist in conducting Public Hearings
- Procure for all professional and contract services
- Procure for a MHIB Certified Inspector with New Home (NH) designation
- Assist in securing contract bids
- Assist in bid process and make recommendations for contracts
- Continuous interaction with the homeowner
- Develop necessary forms for carrying out the project
- Maintain program records and documentation
- Develop report on program performance and reports on grant funds as required
- Obtain all warranty papers and termite certificates

It is the intent of (Recipient) through the HOME Investment Partnerships Program to serve low and very low-income homeowners and to utilize other resources that may be 80% of the AMI.

2.0 Applicant Eligibility

2.1 Conflict of Interest

The Recipient must comply with 24 CFR Part 92.356 (b) stating that “No persons who are an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or Recipient receiving HOME funds that exercise or have exercised any functions or responsibilities with respect to activities

assisted with HOME funds or who are able to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure and for one year thereafter.

2.2 Income Criteria

To be eligible for assistance, families must meet income limits and criteria. Meeting the income criteria does not automatically mean that a family will receive assistance.

Part 5 Income Definition will be used to determine eligibility of the household. If six (6) months has lapsed since the income has been verified without assistance being provided (time assistance is provided is the date in which the Recipient is awarded HOME funds) the income must be re-verified. The total combined income of all household members shall be used to determine if the household meets the income limits.

Households indicating “no income or insufficient income” to maintain the unit are not eligible.

2.3 Length of Ownership

The unit must be owned and occupied by applicant at least one (1) year prior to the date of application to MHC. Homeowners who purchase substandard housing within this timeframe may not be considered eligible applicants.

2.4 Number of Applications

Only one (1) application will be authorized per household.

2.5 Applicant Information

Applications will be selected throughout the “target area” as indicated in Phase I of the Recipient’s application. Applicant’s files must contain an application for assistance, family survey, verification of ownership, verification of income, contract between Recipient and homeowner, contract between homeowner and contractor, lead-based paint hazard notices, work write-ups and cost estimates (rehabilitation), plans, specifications and cost (reconstruction), contractor bids and contracts, proof of payments and supporting documentation, HUD required forms, inspection reports, warranty information and required family characteristics. This information will be used to approve the Homeowner and unit eligible for HOME assistance. Also, this required information will be used to issue the Notice to Proceed to the Contractor for construction activities to begin within the timeframe indicated.

3.0 Property Eligibility

3.1 Unit Characteristics

Owner occupied units as indicated and approved in the application are only eligible for assistance. (Foot printing (location of unit on site) is acceptable). **Recipient must specify this determination in order to avoid the placement of the home and unnecessary costs and indicate such in writing or on the survey.**

3.2 Location

Units eligible for assistance must be within the incorporated limits of the (Recipient). The units must be in the designated project area as shown on the project map.

3.3 Types of Improvements

The activity submitted in the HOME application is the activity which must be undertaken during the implementation process, unless otherwise documented by Contract Modification.

3.5 Flooding

Dwellings located within floodways or floodplains as determined by the National Flood Insurance Program are eligible for assistance if Environmental Regulations are met and Flood Insurance obtained.

3.6 Historic Buildings

Buildings of historic significance must be rehabilitated according to the requirements set forth by the Mississippi Department of Archives and History.

3.7 Reconstruction and Demolition

All HOME assisted units utilizing HOME funds must be demolished and a similar unit will be reconstructed on the same lot. Manufactured units must be removed from the property and demolished.

3.8 Pre-Bid Conference

Each home must have a pre-bid walk through which clearly defines the scope but not limited to the following items:

- a. Height or elevation of house pad
- b. Elevation certificate (if required)
- c. Lot survey
- d. Tree removal or other factors that would have an impact on the reconstruction

- e. Verify water requirements for sites without public water
- f. Verify disposal requirements for sites without public sewer
- g. Asbestos abatement
- h. Site plan showing location on lot (reconstruction required)
- i. Provide finish floor elevations per local code

3.9 Pre-Construction Conference

A pre-construction conference must be conducted for each unit reconstructed, replaced or rehabilitated with HOME funds.

4.0 Grant Amount/Agreements

The maximum amount of assistance under the program shall be based upon HUD's published Section 234 elevator type limits at the time the assistance is received. The minimum of HOME investment funds to be used is \$1,000 per unit, however; if the assistance does not result in a beneficiary, Recipient will be required to repay the funds spent to MHC using non-federal funds.

Grant agreements must be executed between the Recipient and the homeowner to include, but not limited to, the following specific information:

- a. size of the household
- b. names and ages of all household members
- c. income of all household members
- d. homeowner(s) understanding of demolition in the case of reconstruction
- e. eligibility requirements

5.0 Contracting

5.1 All construction contracts for reconstruction, replacement or rehabilitation must be executed between homeowners and contractors.

Contractor/Administrator/Homeowner issues must be resolved by the Chief Elected Official.

5.2 Contracting Shall Be Done on Sealed Bid Basis

The grant administrator shall prepare bid packages and assist homeowners in securing bids. The Recipient shall review all bids and determine whether they are reasonable and address all the work to be completed. Bids must be awarded to the lowest most responsible bidder. Multi-service contracts are prohibited.

5.3 Contractor Eligibility

To be eligible to bid on a contract in the project, contractors must submit information to the Recipient for review of qualifications. At a minimum, contractors must provide the following:

- a. Mississippi Residential Builders License (Rehabilitation Licenses only NOT acceptable)
- b. Current Financial Statement
- c. Two (2) references of contracted work within the previous 12 months, the amount of each contract, and the type and quality of work performed under each contract.
- d. Available line of credit for contractor to perform the duties as indicated in the contract. HOME funds are released upon satisfactory completion of work performed. The Recipient should make sound decisions to determine if the contractor is financially able to carry out the activities.
- e. Two (2) credit references; financial institution and a building material supplier.
- f. Certificate of liability insurance and worker's Certificate of Responsibility.
- g. Not debarred, suspended, licenses revoked, or on Limited Denial Participation List
- h. Registered at www.sam.gov in good standing.
- i. List of current job.

5.4 Change Orders

All change orders to the original bid specifications require the approval of the MHC Contract Inspector, the signature of the homeowner(s), contractor, elected official, project administrator, and approval of MHC's program manager. **Change orders must be submitted to MHC Housing Inspector for review and approved by MHC's Program Manager prior to work being performed. MHC has the right to request further justification.** Any work performed prior to approval may be in jeopardy of being the responsibility of the Recipient if MHC does not issue approval of the request and the availability of funding. MHC may require at any time detailed cost breakdown and invoices to support approval of a change order.

5.5 After-Rehabilitation Value Limits

24 CFR 92.254(a)(2)(iii) allows the use of FHA Single Family mortgage Limits under Section 203(b) of the National Housing Act (12 U.S.C. 1709(b)) as a surrogate for the 95 percent of median value limit. The limit for a one-family unit in all Mississippi counties is \$275,655 except for in the following counties: Copiah, Hinds, Madison, Rankin, Simpson, and Yazoo the limit is \$281,750.

5.6 Payments

Reconstruction request for payments shall be made at the time of inspections: foundation (25%), framing (50%), and final (100%). The date of the final inspection is

the date in which the one-year warranty required by the contractor begins. At which time, the homeowner may occupy the property and all warranty documentation must be given to the homeowner. Failure to adhere to this process may result in concerns noted in the monitoring report and possible repayment of grant funds from non-federal sources.

Rehabilitation request for payments ranging from \$1.00 - \$5,000 will be made in a one-time payment. \$5,001 – up will be made at 50% and 100% completion. The date of the final inspection is the date in which the one-year warranty required by the contractor begins.

Payment disbursement for Manufactured Homes will be allowed for the purchase of the unit, by submitting a copy of the bill of sale and the remainder of the funds disbursed upon final inspection and submission of a copy of the homeowner's title issued by the Department of Revenue, State of Mississippi.

Upon satisfactory completion of the work, the Contractor shall deliver all warranty information to the homeowner and Recipient. The homeowner will sign a written acceptance of the work completed.

6.0 Residential, Anti-Displacement Temporary Relocation Assistance Plan

The Recipient should make every effort not to displace eligible HOME applicants. Any displacement or temporary relocation must be indicated in the application for HOME funds, this is very crucial because funding may not be available for payment of these expenses incurred by the homeowner. A document must be signed certifying that homeowners are aware of the requirement and options.

7.0 Integrated Disbursement and Information System (IDIS)

The (Recipient) shall designate a contact person and (1) alternate who will be authorized to sign cash request for funds to be drawn. The grant administrator will submit all project set-ups, revisions, and completion reports to MHC. All copies will be maintained in applicants' files. The grant administrator will submit all other forms and reports required to implement the project. The Recipient is responsible for maintaining HOME project files at their official place of conducting business for at least five (5) years after the date of the close-out letter.

Rehabilitation Policies, Procedures and Guidelines
_____, Mississippi

Addendum

Be it resolved, copies of said Policies, Procedures, and Guidelines for the HOME Homeowner Rehabilitation Program be attached hereto and appended to these minutes.

So, resolved on this, the _____ day of _____, 2021

Name and Title of Authorized Official

Attest:

B. CONTRACT AMENDMENTS, BUDGET MODIFICATIONS and CONTRACT EXTENSIONS

Recipients must receive approval prior to making commitments to contract amendments, modifications, or extensions. Recipients must submit correspondence and documentation associated with the request, signed under the original signature of the chief elected official or other authorized signatory, supporting the need for the change(s).

The Recipient must explain in detail the reason for requesting a contract extension and provide a revised timeline to indicate activities taken place, activities underway, and completion of all activities.

Request for budget modifications must be accompanied by a proposed budget. MHC will prepare the necessary final documents for review and signature by the Recipient if the change is allowed. The Recipient is required to submit the request signed by the Chief Elected or other authorized signatory accompanied by the following supportive documentation:

Contract Amendments	Budget Modifications	Contract Extensions
Reason for request in detail	Reason for request in detail	Reason for request in detail
Individual Work Activity Description	Budget Modification Worksheet	Project Completion Timeline
	Budget Form(s)	

Once all parties have received copies of the executed revised contract documents, the activity may proceed. The Recipient will be notified in writing when the State cannot approve a proposed revision.

Instructions:

Contract or Scope of Work Amendment

If approved, an amendment to the original contract will be prepared in duplicate by MHC and submitted to the Recipient for signature. Amendments may include the following: changing the project or service area, establishing new work activity, or changing special conditions of the contract. Some changes to the original contract may require the re-evaluation of the application which could result in the de-obligation of funding.

Required forms to be submitted to MHC with request for change:

1. Contract Amendment – Individual Work Activity Description
2. Special condition amendment signed by the appropriate official
3. For amendments which change the project or service area, it is required that a detailed project area map, inclusive of the original project area and proposed area be submitted accompanied by the appropriate and completed forms.

Contract Amendment and Budget Modification

If approved, a modification of the contract budget will be prepared in duplicate form by MHC and submitted to the Recipient for signature. Modifications may include such instance as funds being transferred among budgeted categories (activity) and among line items under budgeted activities. Some changes to the original contract may require the re-evaluation of the application which could result in the de-obligation of funding.

The following modifications require written approval from MHC:

- A. Creating new budget line items
- B. Expanding or decreasing project activities (scope of work)
- C. Transferring funds into other budget activities.
- D. Request for additional funds.

Required documentation for Request for Change:

- 1. Budget Modification Worksheet
- 2. Budget form(s)

Note: MHC must approve any changes to the original budget prior to local action. Failure to have approval may result in an ineligible activity which may result in the repayment of grant funds.

CONTRACT AMENDMENT

INDIVIDUAL WORK ACTIVITY DESCRIPTION

Recipient: _____ Contract Number: _____

The individual work activity description is provided for a detailed description of each activity proposed to be amended. A separate work activity description must be completed for each activity proposed in the contract amendment (i.e., rehabilitation and construction).

1. Work Activity: _____
Activity Number: _____
2. Area to be addressed:
3. Detailed description of work activity:
4. Impact of increase or decrease in proposed scope of work (or new scope of work):
5. State the number of houses to be rehabilitated or units to be built.
6. Describe any effects the proposed amendment of the work activities will have on the environmental assessment of the project.
7. Describe any changes in the contract budgets that will be needed to complete the proposed amendment to the work activity.

BUDGET MODIFICATION WORKSHEET

Recipient: _____

Contract Number: _____

NOTE: List HOME Funds where changes are requested.

Activity	Current Budget	Proposed Budget	Change (+ -)
	TOTAL	TOTAL	TOTAL
	\$	\$	\$

Comments:

AMENDMENT TO SPECIAL CONDITIONS

RECIPIENT: _____

CONTRACT NUMBER: _____

AMENDMENT NUMBER: _____

Upon mutual agreement between (Recipient) and Mississippi Home Corporation,
(Contract Number) is **hereby amended as follows:**

Except as hereby amended, all terms and conditions of the subcontract remain unchanged.

Chief Elected Official/Chief Executive

Mississippi Home Corporation

Date

Date

Attest

Attest

C. REQUESTS FOR CASH

Invoices including inspection reports when applicable, must accompany Request for Cash in order to pay for services rendered. Inspections must be performed and passed prior to release of any funds to the contractor for services rendered. Final request for payment to contractor on manufactured homes may not be released until a Certificate of Origin is provided to the homeowner with a copy submitted to MHC.

Funds are requested by using the Request for Cash and Consolidated Support Sheet designed specifically for the homeowner rehabilitation program. Request must be submitted on the forms indicated, and accurately completed, otherwise, the request will be returned to the Recipient, no exception.

MHC will abide by Mississippi Code §31-7-305, which allows for the processing of cash request within forty-five (45) days of receipt. MHC staff will process request for cash once all information has been verified and is approved for payment.

Drawdowns should be made only in the amounts necessary to meet **current** disbursement needs for completed work. A zero balance must be maintained **within fifteen (15) days of the deposit of HOME funds. Funds not expended with the fifteen (15) days will result in a monitoring finding in accordance with 24 CFR 92.502(c)(2).**

HOME funds expended for an activity that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and HOME funds invested must be repaid to MHC in accordance with 24 CFR 92.503 (b).

1. REQUEST FOR CASH INSTRUCTIONS

Section A: General Information

Recipient's Name / Address / Telephone Number

Section B: Project Information

Contract Number / Request Number

- Enter the contract number as shown on the budget of the grant. Enter the request number.
- Services Rendered Dates – ACTUAL date(s) of invoices submitted

Section C: Request per Activity

- Activity
 - Enter each activity as shown on the budget of the grant by which funds are to be paid
- Budget Amount
- Total Prior Request to Date
 - Enter the cumulative amount of federal funds received and any amounts in-transit per activity.
- This Request
 - Enter the amount of federal funds currently being requested per activity.
- Remaining Balance
 - Enter the balance of federal funds available to be requested per activity.
- Signature of Authorized Official
 - Only the authorized official as indicated by signatory letter may sign the Request for Cash.
- Typed Name and Title of Authorized Official
- Date Signed
- Prepared by
- Preparer's Telephone Number
- Date Prepared

- The Request for Cash should be mailed to:
Mississippi Home Corporation
Attn: Jackie Cobbins
735 Riverside Drive
Jackson, Mississippi 39202

CONSOLIDATED SUPPORT SHEET

The Request for Cash Consolidated Support Sheet is an essential element of the Request for Cash process. The support sheet serves as a document to report cost incurred and included in the present Request for Cash. Completed Consolidated Support Sheets are to be submitted each time a Request for Cash is submitted. Cost reported must be the amount requested and disbursed. Request for Cash will not be processed, if the Consolidated Support Sheet is not attached, signed and completed correctly. In the event the Consolidated Support Sheet is not attached or is not completed correctly, the Request for Cash will be returned to the Recipient and must be re-submitted when completed or corrected. A copy of the request and support documentation must be retained in the Recipient's file.

CONSOLIDATED SUPPORT SHEET INSTRUCTIONS

General

- Program / Recipient / Request for Cash Number / Contract Number / Total Amount Requested
 - Enter the Program, Recipient's name, request for cash number, contract number, and total amount requested
- Line Item
 - Enter all line items for each activity as shown on the budget of the grant
- Vendor Name
 - Enter the vendor's name for each line item
- Total Invoice
 - Enter the total amount as indicated on the invoice for each line item
- Amount of This Request
 - Enter the amount included on this request for cash
- Match Share
 - Enter the amount of match funds to be used towards each line item
- Amount Budgeted
 - Enter the total amount budgeted for each line item

- Amount Requested to Date
 - Enter the amount requested to dated
- Balance
 - Enter the balance of each line item
- Services Rendered Dates
 - Enter the beginning and ending date of which services were rendered
- Cumulative Expenditures
 - Enter the cumulative amount of funds expended, including this request
- Signature and Typed Name and Title of Authorized Official
 - Enter the name of the authorized official authorized to sign the Request for Cash. This is the same official who signed the contract or the approved authorized signatory official
- Prepared By/Preparer' Telephone Number
 - Enter the person's name and telephone number preparing the Request for Cash

Elected Officials must be bonded according to Mississippi State Law, Mississippi Code of 2010 Section 19-3-5 and Mississippi Code 2015 Section 21-9-21.

Recipient must maintain a Disbursement Journal in accordance with 24 CFR 85.20 (b) (4) and 24 CFR 92.505 (a). Failure to maintain this information will result in a monitoring finding.

Invoices must include amount of funds and activity in which funds are being requested, i.e. – application preparation, legal fees, inspections, project delivery costs. Invoices must identify the company name or Tax Identification Number.

Construction draws will only be processed once a satisfactory Inspection Report is submitted. Copies of each Inspection Report must be included with the Request for Cash.

2. Request for Cash Form

**Mississippi Home Corporation
Request for Cash**

Program: HOME Homeowner Rehabilitation Program

Section A: General Information		Section B: Project Information		
Recipient		Grant No.	Contract No.	Project No.
Mailing Address				
Street Address		Services Rendered		Request No.
City, State Zip		From	To	
Telephone No.		Thru		MHC Staff Initials

Section C: Request Per Activity

	Activity Description	Budget Amount	Total Received to Date	This Request	Remaining Balance	Activity Numbers
1	<u>Application Fee</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
2	<u> </u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
3	<u> </u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
4	<u> </u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
5	<u> </u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
6	<u> </u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
7	<u> </u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
8	<u> </u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
9	<u> </u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
10	<u> </u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u> </u>
	Total:	\$0.00	\$0.00	\$0.00	\$0.00	<u> </u>

Required Accomplishment Narrative: (Please provide a brief update on this project.

I Hereby Certify That (a) the services covered by this request have not been received from the Federal Government/State Government or expended for such services under any other contract agreement or grant; (b) the amount requested will be expended for allowable costs / expenditures under the terms of the contract agreement or grant; (c) the amount requested herein does not exceed the total funds obligated by contract; and (d) the funds are requested for only immediate disbursements.

I Hereby Certify That the goods sold and/or services rendered have been delivered and/or performed in good order within the time listed above and are in compliance with all statutory requirements and regulations. I certify that this request does not include any advances or funds for future obligations.

Is this your final request for cash on this contract? <div style="border-top: 1px solid black; width: 100%; margin-top: 20px;"></div>	YES	NO	
<div style="border-top: 1px solid black; width: 100%; margin-top: 20px;"></div>	<div style="border-top: 1px solid black; width: 100%; margin-top: 20px;"></div>	<div style="border-top: 1px solid black; width: 100%; margin-top: 20px;"></div>	<div style="border-top: 1px solid black; width: 100%; margin-top: 20px;"></div>
Signature of Authorized Official	Date Signed	Prepared By	Date Prepared
<div style="border-top: 1px solid black; width: 100%; margin-top: 20px;"></div>		<div style="border-top: 1px solid black; width: 100%; margin-top: 20px;"></div>	
Typed Name and Title of Authorized Official		<div style="border-top: 1px solid black; width: 100%; margin-top: 20px;"></div>	Preparer's Telephone No.

To be completed by MHC Authorized Official

APPROVED BY: _____ DATE: _____
 Signature, Authorized MHC Representative

AUTHORIZED BY: _____ DATE: _____
 Signature, Authorized MHC Representative

IDIS APPROVED BY: _____ DATE: _____
 Signature, Authorized MHC Representative

Signature, Authorized IRS Representative						
IDIS Voucher Number	Vendor Number	Issue/Series	Fund/Sub-Fund	Service		

**Mississippi Home Corporation
Consolidated Support Sheet**

Page 1

Program: Homeowner Rehabilitation
Recipient:
Request for Cash Number:

Contract Number:
Total Amount Requested: \$0.00

IDIS #	Line Items	Vendor	Invoice #	Total Invoice	Amount of This Request	Match	Amount Budgeted	Total Received to Date	Balance
	Application Fee								\$0.00
	Total Administration			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Home #1									\$0.00
									\$0.00
									\$0.00
									\$0.00
Home #1				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Home #2									\$0.00
									\$0.00
									\$0.00
									\$0.00
Home #2				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Home #3									\$0.00
									\$0.00
									\$0.00
									\$0.00
Home #3				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Home #4									\$0.00
									\$0.00
									\$0.00
									\$0.00
Home #4				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Home #5									\$0.00
									\$0.00
									\$0.00
									\$0.00
Home #5				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
								\$0.00	

I hereby certify that (a) the services covered by this request have not been received from the Federal / State Government or expended for such services under any other contract agreement or grant; (b) the amount requested will be expended for allowable costs / expenditures under the terms of the contract agreement or grant; (c) the amount requested herein does not exceed the total funds obligated by contract; and (d) the funds are requested for only immediate disbursements.

I hereby certify that the goods sold and/or services rendered have been delivered and/or performed in good order within the time listed above and are in compliance with all statutory requirements and regulations. I certify that this request does not include any advances or funds for future obligations.

Signature of Authorized Official

Date Signed

Prepared By

Typed Name and Title of Authorized Official

Preparer's Telephone No.

Mississippi Home Corporation Consolidated Support Sheet								Page 2	
Program: Homeowner Rehabilitation Recipient Request for Cash Number:				Contract Number: 0 Total Amount Requested: \$0.00					
IDIS #	Line Items	Vendor	Invoice #	Total Invoice	Amount of This Request	Match	Amount Budgeted	Total Received to Date	Balance
Home #6									\$0.00
									\$0.00
									\$0.00
									\$0.00
Home #6				\$0.00	\$0.00	\$0.00	\$0.00		\$0.00
Home #7									\$0.00
									\$0.00
									\$0.00
Home #7				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Home #8									\$0.00
									\$0.00
									\$0.00
Home #8				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Home #9									\$0.00
									\$0.00
									\$0.00
				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOT REQ TO DTE							\$0.00		
GRAND TOTAL				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Services Rendered - Beginning: _____ Thru _____									
Cumulative:		\$0.00		Plus (+)		\$0.00		Equals (=) \$0.00	
		Program Expenditures		Matching Expenditures		Total Expenditures			
<small>I Herby Certify That (a) the services covered by this request have not been received from the Federal / State Government or expended for such services under any other contract agreement or grant; (b) the amount requested will be expended for allowable costs / expenditures under the terms of the contract agreement or grant; (c) the amount requested herein does not exceed the total funds obligated by contract; and (d) the funds are requested for only immediate disbursements.</small>									
<small>I Herby Certify That the goods sold and/or services rendered have been delivered and/or performed in good order within the time listed above and are in compliance with all statutory requirements and regulations. I certify that this request does not include any advances or funds for future obligations.</small>									
_____ Signature of Authorized Official			_____ Date Signed		_____ Prepared By				
_____ Typed Name and Title of Authorized Official			_____ Preparer's Telephone No.						

D. NOTICE TO PROCEED – HOMEOWNER REHABILITATION

Upon the receipt of all required documentation, a Notice to Proceed will be issued granting permission to move forward with construction. Any construction that begins prior to the issuance of the Notice to Proceed will be ineligible for HOME funds.

HOMEOWNER REHABILITATION NOTICE TO PROCEED CHECKLIST

Applicant: _____

Contract# _____ Date: _____

Homeowner's Name: _____

Address/City: _____

___ Homeowner Project Setup and Completion Form

___ Title Opinion for each homeowner

___ Copies of all Contractor's Bids

___ Bid Tabulation

___ Contractor's License

___ Contractor's Clearance from www.sam.gov

___ Recipient/Homeowner Contract

___ Homeowner/Contractor Contract

___ Asbestos Report

___ Lead Based Paint Report

___ Survey Report

___ Revised/Updated Activity Completion Schedule

___ Activity Budget, update if required

E. RECORDKEEPING

Regulations 24 CFR Part 92.508 requires Recipients to establish and maintain sufficient recordkeeping. Records must always be maintained on site of the Recipient location. Project files must be retained by the Recipient for five (5) years after the period of affordability has been satisfied. **Failure to maintain an adequate system as determined by MHC staff will result in a monitoring finding.** The system must be at least the equivalent of the files as listed below.

Recipient _____

Contract Number _____

APPLICATION

___ Full application as submitted to MHC

___ Additional information submitted

CITIZEN PARTICIPATION

___ Proofs of Publication of Public Hearing Notices (application/implementation)

___ Public Hearing rosters and minutes signed by the chief elected official

___ General public correspondence

CONTRACT

___ Award letter

___ Executed contract

___ Correspondence concerning contract conditions

___ Contract modifications and letters of approval

GENERAL CORRESPONDENCE

___ General correspondence

___ State general correspondence/memorandums

ENVIRONMENTAL REVIEW RECORD

___ Copy of "Environmental Review Record"

___ Notice of Environmental Clearance

___ Letter of Clearance from the Mississippi Department of Archives and History

- ___ Determination of Categorical Exclusion
- ___ Determination of Exemption
- ___ Copies of notices disseminated to EPA offices in Washington, D.C. and Atlanta, Georgia (if applicable)

FINANCIAL MANAGEMENT

- ___ Authorized Signature Letter
- ___ Requests for Cash and Consolidated Support Sheet
- ___ General Ledger and Cash Receipt and Disbursements Journal
- ___ Invoices, pay estimates, receipts of payments of program costs
- ___ Documentation of Program Income (if applicable)
- ___ Documentation of elected officials' bonding

PROCUREMENT

- ___ Proofs of Publication of Requests for proposals/bids
- ___ Written Selection Procedures
- ___ Proof of Solicitations for proposals/bids
- ___ Proposals/bids received
- ___ Evaluations of proposals/bids received including bid tabulations
- ___ Written statements of acceptance of proposals/bids
- ___ Executed contracts for all services performed
- ___ Federal Tax Identification Numbers for Administrators, Contractors, and Inspectors
- ___ Copies of notification of procurement Requests for Proposals to the Mississippi Procurement Technical Assistance Program (MPTAP)

FAIR HOUSING/EQUAL OPPORTUNITY

- ___ Documentation of low or very low-income beneficiaries
- ___ Documentation of total number of heads of households, minorities, handicapped, elderly and children who are beneficiaries

- ___ Adopted Affirmative Marketing Plan
- ___ Contractor/Subcontractor Activity Reports
- ___ Documentation of minority/female business solicitation
- ___ Fair Housing Posters displayed in English/Spanish version and in Vietnamese where this population is present at Recipient general area of conducting business, construction site (for multi-family rental), and participating lender for financial institutions.

HOMEOWNER REHABILITATION

- ___ Copy of Adopted Policies and Procedures
- ___ Special Conditions Clearance Documentation
- ___ Authorized Signatory Letter
- ___ Master List of all dwellings with names and addresses
- ___ Individual case files for each dwelling must include the following:
 - ___ Homeowner Application
 - ___ Documentation for Ineligible Homeowners (if applicable)
 - ___ Project Set-up/Revision/Completion Report/Lead Based Paint Checklist Form for each unit
 - ___ Written Agreement between Recipient/Homeowner
 - ___ Verification of Income and Part 5 Income Calculation Worksheet
 - ___ Citizenship Verification, if applicable
 - ___ Title Work
- ___ All documentation related to bidding and procurement for contractor and other services
- ___ Written agreement between Homeowner/Contractor
- ___ Lead Based Paint Documentation (if applicable)
- ___ Asbestos Inspection (if applicable)

- ___ Notice to Proceed and Required Documentation
- ___ Inspection Reports
- ___ Change Orders (if applicable)
- ___ All invoices and release of liens and warranty
- ___ Anti-Kick Back Clause in all contracts
- ___ Homeowner's Acceptance Form
- ___ Builder's Warranty and Notification Letter
Upon completion of rehabilitation activities (including PASSING of the final inspection), the Homeowner Acceptance Form should be executed along with the Builders Warranty and Notice of Expiration of Builder's First Year of Warranty
- ___ Termite Certificate
- ___ After-Rehabilitation Value
- ___ Written complaints, resolution, and correspondence

SECTION 3

- ___ Section 3 requirements for residents and businesses

CLOSE-OUT

- ___ Copy of fully executed Close-out Package
- ___ Copy of Transmittal Letter from MHC indicating project has been closed out

AUDITS

- ___ Audit for each year included in grant period
- ___ Evidence clearing all audit exceptions

Recordkeeping is very essential to the implementation of the HOME Program.

Documentation must be retained for all activities and proper recording of information in the grantees Minute Books.

F. HOME REGULATIONS

1 – Property Standards

24 CFR Part 92.251(a)(2) requires all HOME assisted housing meet all applicable state and local housing quality standards and code requirements. MHC requires three (3) inspections : foundation, framing, and final. These must be performed by a Mhib New Home (NH) designation for licensed inspectors. Funds are drawn according to work that has been completed and specified in contractual agreements as indicated in the Disbursement Schedule below.

2 - Project Disbursement and Information System

a. Project Set-up

Complete project information is required to be entered at the time of project set-up. An activity which has been committed for 12 months without an initial disbursement of funds may be canceled according to 24 CFR Part 92.502(b)(2). It will be the responsibility of the Recipient for any work that has been performed in the case where an activity has been canceled by the U. S. Department of Housing and Urban Development.

b. Disbursement of HOME Funds

Upon receipt of the Grant Agreement by the Recipient, funds for application preparation may be drawn in the amount as indicated in the budget. If these funds have been funded from a separate year from the Homeowner Rehabilitation funds, then a Close-Out Package must be submitted with the Request for Cash drawing these funds down.

Activity Delivery Costs – Administration	Amount Allowed Per Unit Reconstruction/Rehabilitation	Amount Allowed Per Unit - Manufactured Homes (Replacement Only)
Environmental Clearance	\$700	\$700
Legal – Professional Service	Up to \$500	Up to \$500
Notice to Proceed	\$700	\$700
25% progress	\$1500	\$0
50% progress	\$1500	\$2250
100% completion	\$1500	\$2250
Deed Restriction Recording	Up to \$50.00	Up to \$50.00

Activity Delivery Soft Costs	Amount Allowed Per Unit Conventional Homes	Amount Allowed Per Unit - Manufactured Homes
Asbestos Inspection	Up to \$400	Up to \$400
Lead Based Paint Inspection	Up to \$400	
Survey	Up to \$800 N/A for rehabilitation activities	Reasonable and Necessary

Administration Cost	Allowed Per Unit Rehabilitation Activity	Allowed Per Unit - Manufactured Homes Replacement Only
Monitoring	\$800	\$800
Acceptable Close-Out	\$800	\$800

HOME funds drawn from the United States Treasury account must be expended for eligible costs within 15 days according to 24 CFR Part 92.502(c)(2). Any funds that are drawn down and not expended for eligible costs within 15 days of the disbursement must be returned to MHC for deposit in the HOME Investment Trust Fund. Non-compliance of this regulation will result in a monitoring finding, which may result in repayment of funds from non-federal sources.

Project completion data must be entered in IDIS as soon as the reconstruction/rehabilitation and final inspections are completed. 24 CFR Part 92.504(a) states that PJs are responsible for managing day to day operations of its programs and if satisfactory project completion data is not entered, HUD may suspend further project set-ups or take other corrective actions. This is provided in HOMEfires – Vol. 6 No. 1, August 2005.

G. MONITORING/CLOSE-OUTS/RECORD RETENTION

1. Monitoring

HOME projects are monitored in order to ensure that the Recipient is following regulations found at 24 CFR Part 92, HOMEfires, and other requirements. The Program Manager will consult with the Recipient or a Representative to schedule a time to conduct the monitoring visit. Written notification will then be sent to the Recipient of the mutually agreed upon time and location.

The monitoring will consist of the following areas:

- Environmental
- Citizen Participation
- Fair Housing/Equal Opportunity
- Financial Management
- Procurement
- Housing Rehabilitation
- Section 3
- Other applicable areas

Upon completion of the monitoring visit an Exit Conference will take place and the Recipient and/or its representative will be informed of any preliminary concerns/findings. Once the monitoring report has been prepared and reviewed by all necessary MHC Staff, a monitoring report will be mailed to the Recipient. If findings/concerns are noted, actions taken will be indicated and the Recipient must respond accordingly. Upon receipt of an acceptable response to findings/concerns, the Recipient will receive a satisfactory monitoring finding response. Otherwise, if no findings and/or concerns a satisfactory monitoring report will be issued and the project is ready to move forward with closing for closing.

2. Close-Out

According to 24 CFR Part 92.502(d)(1), the overall project completion information must be entered into the disbursement and information system within 120 days of the final project drawdown. If satisfactory project completion information is not provided, HUD may suspend further project set-ups or take other corrective action. At that time, the Recipient must submit to MHC a Close-Out Package.

The close-out is the process by which MHC determines that all applicable administrative actions and all required work on the project have been completed. Each Recipient is responsible for ensuring an orderly and timely phase-out of projects. The Recipient must also ensure that the financial settlements of the subcontracts and vendor claims have been satisfied.

One close-out package bearing the original signature of the designated signatory official is due to MHC within thirty (30) days after completion of the project or sixty (60) days from the termination date of the grant agreement. MHC will retain the original signed close-out package with a copy provided to the Recipient along with a Transmittal Letter indicating the project has been successfully closed.

Completion Reports must be submitted with the Close-Out Package.

IV. GENERAL AREAS OF COMPLIANCE

A. ENVIRONMENTAL

Every project undertaken with federal funds, and all activities related to that project, is subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), as well as to the HUD environmental review regulations at 24 CFR Part 58. The primary purpose of this Act is to protect and enhance the quality of our natural environment. The HUD environmental review process must be completed before any federal funds can be accessed for program-eligible activities.

In addition, no work may start on a proposed project before the environmental review process is completed, even if that work is being done using non-HUD funds. In other words, environmental clearance must be obtained for each project prior to the firm commitment of federal or non-federal funds. A violation of this requirement may jeopardize federal funding to this project and disallow all costs that were incurred before the completion of the Environmental Review.

The primary objectives of the HUD environmental review are to identify specific environmental factors that may be encountered at potential project sites, and to develop procedures to ensure compliance with regulations pertaining to these factors. The HUD environmental review is designed to produce program-specific environmental review procedures in a program that can vary greatly in terms of scope of work. Laws and regulations which contain environmental provisions with which must be complied with include:

1. Historic Preservation (36 CFR 800)
2. Floodplain Management (24 CFR 55, Executive Order 11988)
3. Wetlands Protection (Executive Order 11990)
4. Coastal Zone Management Act (Sections 307 (c), (d))
5. Sole Source Aquifers (40 CFR 149)
6. Endangered Species Act (50 CFR 402)
7. Wild and Scenic Rivers Act (Sections 7 (b) (c))
8. Air Quality (Clean Air Act, Sections 176 (c) and (d) and 40 CFR 6, 51, 93)
9. Farmland Protection Policy Act (7 CFR 658)
10. Environmental Justice (Executive Order 12898)
11. Noise Abatement and Control (24 CFR 51 b)
12. Toxic/Hazardous Materials (24 CFR 58.5(i)(2))
13. HUD Environmental Standards (24 CFR 51 c)
14. Airport Clear Zones and Accident Potential Zones (24 CFR 51 d)

All federally funded projects and activities must have documentation that they are following NEPA and all other environmental requirements. The purpose of this Section is to provide guidance necessary to prepare the Environmental Review Record (ERR) as required by NEPA and related laws. The ERR serves as a tool to measure the environmental consequences of all federally funded projects and activities.

GLOSSARY OF KEY TERMS

There are several key terms that a recipient must familiarize themselves with in order to understand environmental review. A few main terms are noted below.

Project - An activity or group of activities regardless of funding source.

Environmental Review - NEPA Review of a project.

Environmental Review Record (ERR)— A well-organized written record overview, decision making, and action as required by 24 CFR 58.38.

Responsible Entity (RE)—State, Indian Tribe, or Unit of General Local Government. A Nonprofit Recipient is not the RE for HOME funded projects MHC is the RE for HOME funded projects.

Certifying Officer—The RE is the official responsible for completing ERR

24 CFR 58—The Code of Federal Regulations Section that details the HUD regulations for the environmental review process.

Exempt—A project that is defined under 24 CFR 58.34

CENST—Categorical Exclusion Not Subject to the requirements of 24 CFR 58.5 as defined under 24 CFR 58.35(b)

CEST—Categorical Exclusion Subject to the requirements of 24 CFR 58.5 as defined under 24 CFR 58.35(a)

Statutory Checklist—The necessary documentation that must be completed for a project that requires a CEST level of environmental review.

Environmental Assessment (EA) - The EA is a level of review that must be completed for a project that is not considered Exempt, CENST, or CEST as noted on the Determination of Level of Review.

NOI-RROF—Notice of Intent to Request Release of Funds—A public notice that is completed for projects that require a CEST or EA review.

RROF/Certification—Request for Release of Funds/Certification Form that is completed for projects that require a CEST or EA review. Also referred to as HUD Form 7015.15.

FONSI—Finding of No Significant Impact is a determination that must be made by the Responsible Entity for projects that require an EA review.

ENVIRONMENTAL REVIEW REQUIREMENTS

The purpose of the environmental review process is to analyze the effect the proposed project will have on the people and the natural environment within the project area. Environmental Review is the examination of a project relative to the National Environmental Policy Act of 1969 (NEPA) and its related laws. NEPA was established to ensure environmental protection for federally funded projects. Units of local government who are recipients of federal funds must complete an environmental review of all project activities. This policy guide will provide recipients with the basic steps, applicable laws and the basic requirements of the National Environmental Policy Act of 1969 (NEPA) and other statutes, Executive Orders, and Federal regulations (24 CFR Part 58.4).

Definitions, forms and step-by-step instructions on how to complete the environmental reviews are provided in this policy guide. The recipient and the Environmental Certifying Officer are responsible for referring to and complying with the specific citations listed herein.

Applicable Regulations

The rules and regulations that govern the environmental review process can be found at 24 CFR Part 58, Subparts A-H.

- ◆ Subpart A: Defines the purpose of an environmental review and the legalities associated with its completion.
- ◆ Subpart B: Specifies the roles and responsibilities of those performing the review and the State's oversight responsibilities.
- ◆ Subpart C: Identifies limitations on obligating project funds prior to completion of the environmental review process.
- ◆ Subpart D: Requires aggregation of related activities and classifies project activities into four levels of review.
- ◆ Subpart E: Explains the steps involved with the preparation of the environmental assessment and circumstances requiring re-evaluation of the original environmental findings.
- ◆ Subpart F: Deals with the use of existing environmental impact statements for a proposed action.
- ◆ Subpart G: Explains the process associated with the preparation of Environmental Impact Statements
- ◆ Subpart H: Explains the steps associated with securing a release of funds, and the oversight responsibilities of the State and recipients of HUD assistance.

A. ENVIRONMENTAL OVERVIEW

Recipients of federal funds are required to complete an environmental review prior to receiving environmental clearance from the Mississippi Home Corporation. The type of project a recipient is completing will determine the level of environmental review and the necessary documentation that will be required. It is important that the grant recipient start the process as soon as possible since some of the environmental review processes may become lengthy and perhaps complex. For every environmental review, three basic steps must be followed in order to correctly complete the review. These steps include:

1. Project Aggregation

2. Determination of Level of Review

3. Documentation

Project Aggregation -The recipient should evaluate the entire scope of the project and include all funding sources that may be used in conjunction with the project. Defining the project should include determining all integrally related activities designed to accomplish a specific objective.

Determination of Level of Review -The recipient must determine which level of environmental review is appropriate for the project in order to correctly complete the necessary documentation for the project. A Determination of Level of Review Form must be completed which provides a complete description of the project and the level of environmental review that will be completed.

Documentation - The recipient must fully document the environmental review. This information is referred to as the Environmental Review Record (ERR). The ERR will vary in size. The project aggregation and the determination of level of review will help determine the appropriate ERR documentation. The ERR will be discussed later in this policy guide.

ENVIRONMENTAL RESPONSIBILITIES

STATE RESPONSIBILITY AND POLICY

MHC will comply with 24 CFR Sec 58.18 "Responsibilities of States assuming HUD environmental responsibilities. States that elect to administer a HUD program shall ensure that the program complies with the provisions of this part. The state must:

(a) Designate the state agency or agencies that will be responsible for carrying out the requirements and administrative responsibilities set forth in subpart H of this part and which will:

(1) Develop a monitoring and enforcement program for post-review actions on environmental reviews and monitor compliance with any environmental conditions included in the award.

(2) Receive public notices, RROFs, and certifications from recipients pursuant to Sec. 58.70 and 58.71; accept objections from the public and from other agencies (Sec. 58.73); and perform other related responsibilities regarding releases of funds.

(b) Fulfill the state role in subpart H relative to the time set for the receipt and disposition of comments, objections, and appeals (if any) on projects.

MHC has five (5) primary responsibilities related to the environmental review process:

1. To ensure that no federal grant funds (except those that are admin or planning requests) are released until the grantee has fully and properly certified that all environmental review requirements have been satisfied;
2. To ensure that the release of funds occurs after the proper environmental certification has been submitted; the required comment period has expired without negative comment or objection; and other basic grant requirements have been satisfied. NOTE: The release of funds does not constitute program approval but is an acceptance that all environmental requirements have been satisfied.
3. To ensure that if subsequent information results in a determination that the certification or procedures were improper, MHC will withhold further project funding until these findings are resolved. The additional information may require the grantee to redo its environmental review and conduct a second public comment period. This will require recertification to MHC and a revision to the ERR;
4. To ensure that monitoring requirements are met, including an examination of the grantee's environmental review process and ERR prior to a release of funds;
5. To ensure that the grantee is provided with guidance and technical assistance and guidance for its environmental review process and ERR.

THE RESPONSIBILITY ENITY

The environmental review procedures as outlined in 24 CFR Part 58 require that units of general local governments such as cities and counties assume the responsibility for the environmental review, including the publications, and then later request that the funds be released by the State.

Local Units of Government, the Mayor or County Board President must assume the role of the responsible Federal official under the provisions of NEPA. This person is the Environmental Certifying Officer and must sign all environmentally related material. This means that if someone sues your project in Federal court on environmental grounds, the mayor or county board president, acting as the environmental certifying officer, will be named as the responsible party.

The funding recipient should designate an Environmental Officer. This person is in most cases the grant administrator. The Environmental Officer will be responsible for writing project narratives, obtaining maps of the project area, soliciting comments from appropriate local, state and federal agencies, and facilitating responses of comments received on the environmental findings. However, the recipient is responsible for ensuring compliance with NEPA and the Federal laws and authorities, for issuing the public notification, submitting the request for release of funds, when required, and for ensuring the Environmental Review Record (ERR) is complete.

In terms of financial responsibility, you cannot obligate or expend federal funds until you have completed the environmental requirements and satisfied all contract conditions. (The only exceptions from the environmental requirements are listed later in this policy guide, as exempt activities.) After the environmental requirements have been completed, you will receive Environmental Clearance from MHC.

THE ENVIRONMENTAL REVIEW RECORD

In order to follow all the requirements, rules, and regulations, an Environmental Review Record (ERR) must be maintained by the local unit of government. The ERR describes the project and its environmentally related activities and contains all original documents, public notices, and written determinations issued during the environmental review process. The ERR must be available at the city or county for public review and containing all original signatures and publications. For extensive documentation the ERR should bound with tabbed sections or placed in a 3-ring notebook with tabbed sections.

The ERR must contain the following documents and parts:

◆ A full detailed description of the project and each of the activities comprising the project, regardless of individual activity funding source. To the extent feasible, grantees are encouraged to conduct environmental reviews for improvements to target areas and neighborhoods rather than limiting the environmental assessment to just the activity being proposed or to the streets being addressed within a neighborhood. The review should include all future potential activities and phases of investment plans.

The ERR must also contain written determinations and other review findings (e.g., exempt and categorically excluded determinations, findings of no significant impact), and public notices, when required. The ERR shall also contain documentation that verifies compliance with NEPA, and the Federal laws and authorities cited in the compliance checklists, environmental assessments and environmental impact statements.

◆ With regard to environmental assessments, complete the applicable sections of the Format II (the HUD recommended format). This checklist provides a format for funding recipients to record notices, project descriptions and public comments. The recipient should use this recommended format to record determinations and other review findings and for the following:

- ◆ Documentation of compliance with Federal laws and authorities;
- ◆ Documentation of compliance with the National Environmental Policy Act (NEPA), when applicable;
- ◆ Notices, when applicable; and
- ◆ Public comments received.
- ◆ Public comments, concerns and appropriate resolution by the recipient must be completed prior to requesting release of funds from the State and must be fully documented in the ERR.
- ◆ The ERR will vary in length and content depending upon the level of review required (based upon the types of project activities). Please keep in mind that on the average, an environmental assessment for a project usually takes at least 90 days to complete.

ACTIONS TRIGGERING THE REQUIREMENTS AT PART 58

Once a recipient has applied for federal funds to the State, Part 58 requirements are applicable to the project. At this point the recipient (and any other project participants) must cease all project activity until the environmental review (ER) has been completed. Part 58 prohibits further project activities and actions from being undertaken prior to completion of the review and the determination of environmental clearance.

There are certain kinds of activities that may be undertaken without risking a violation of requirements of Part 58. For example, the act of either hiring a consultant to prepare a Phase I environmental site assessment or hiring a consultant to complete an engineering design study or plan, or a study of soil and geological conditions.

Activities that have physical impacts or which limit the choice of alternatives cannot be undertaken, even with the project participant's own funds, prior to obtaining environmental clearance to use federal funds. If prohibited activities are undertaken prior to receiving approval from the State, the applicant is at risk for the denial of the funded assistance.

The reason for this is, these actions interfere with the State's ability to comply with NEPA and Part 58. If prohibited actions are taken prior to environmental clearance, then environmental impacts may have occurred in violation of the Federal laws and authorities and the standard review procedures that ensure compliance.

LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE

According to the NEPA (40 CFR 1500-1508) and Part 58, the State is required to ensure that environmental information is available before decisions are made and before actions are taken. Recipients may not commit or expend resources, either public or private funds, federal, or non-Federal funds, or execute a legally binding agreement for property acquisition, rehabilitation, conversion, repair or construction pertaining to a specific site until environmental clearance has been achieved. In other words, recipients must avoid any and all actions that would preclude the selection of alternative choices before a final decision is made.

These decisions being based upon an understanding of the environmental consequences, and actions that can protect, restore, and enhance the human environment (i.e., the natural, physical, social and economic environment). In order to achieve this objective, Part 58 prohibits the commitment of federal funds by the State or its recipients until the environmental review process has been completed and the submission of release of funds approval, when required, has been received.

Until the recipient has completed the environmental review process, neither the recipient nor project participant may commit non-HUD funds or undertake an activity if that action would have an adverse environmental impact or limit the choice of reasonable alternatives. For the purposes of the environmental review process, “**commitment of funds**” includes:

- Execution of a legally binding agreement (such as a property purchase or construction contract) or expenditure of federal funds;
- Use of non-federal funds on actions that would have an adverse impact--- e.g., demolition, dredging, filling and excavating.

Use of non-federal funds on actions that would be “choice limiting” such as, undertaking bids for construction or demolition, acquisition of real property; leasing property; rehabilitation, demolition, construction of buildings or structures; relocating buildings or structures, conversion of land or buildings/structures.

CLASSIFYING THE ACTIVITY

To begin the environmental review process, the responsible entity must first determine the environmental classification of each activity in the project. This section will focus upon the five environmental classifications that are recognized under 24 CFR 58.

- Exempt
- Categorically Excluded Not Subject to Part 58.5
- Categorically Excluded Subject to Part 58.5

- Environmental Assessment (EA)
- Environmental Impact Statement (EIS)

The environmental regulations at 24 CFR Part 58.32 requires the responsible entity to “group together and evaluate as a single project all individual activities which are related geographically or functionally.” Once this has been done, the responsible entity must decide if the project is exempt, categorically excluded, or the project requires an environmental assessment or an environmental impact statement.

If one activity in a project requires an assessment, then the entire project must be assessed. The grantee must maintain a written record of the environmental review undertaken for each project. This document shall be designated the Environmental Review Record (ERR) and shall contain all original documents, public notices, and written determinations issued during the environmental review process. The ERR must be available for public review.

EXEMPT ACTIVITIES

The only tasks that may be undertaken prior to completing the environmental review are administrative activities, feasibility and engineering studies, outreach, and planning activities. These do not affect the human and physical environment and are exempted under Section 58.34 of 24 CFR Part 58. Written documentation of the decision made that an activity is exempt under Section 58.34, excluded under Section 58.35(b) and 58.6 must be included in the Environmental Review Record discussed below. Exempt activities include:

1. Environmental and other studies, resource identification and development of plans and strategies;
2. Information and financial services;
3. Administrative and management services;
4. Public services that will not have a physical impact or result in any physical changes, including but not limited to, services concerned with employment, crime prevention, childcare, health, drug abuse, education, counseling, energy conservation and welfare or recreation needs;
5. Inspections and testing of properties for hazards or defects;
6. Purchase of insurance;
7. Purchase of tools;
8. Engineering or design costs;

9. Technical assistance and training;

10. Assistance for temporary or permanent improvements that do not alter the environmental conditions and are limited to protection, repair, or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration;

11. Payment of principal and interest on loans made or obligations guaranteed by HUD;

12. Any of the categorical exclusions listed in 58.35(a) if there are no circumstances that require compliance with any other Federal laws and authorities cited in 24 CFR 58.5.

CATEGORICALLY EXCLUDED SUBJECT TO 58.5

The list of Categorically Excluded activities is found at 24 CFR Part 58.35 of the environmental regulations. While the activities listed in 58.35(a) are categorically excluded from National Environmental Protection Act (NEPA) requirements, the recipient must determine whether or not compliance with the Federal laws, authorities and Executive Orders listed in Sec. 58.5 are invoked by project activities. These determinations should be based upon written documentation from the consulting agency.

The following are Categorically Excluded activities subject to 58.5:

- ◆ Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size, or capacity of more than 20 percent.
- ◆ Special projects directed toward the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and disabled persons.
- ◆ Rehabilitation of buildings and improvements when the following conditions are met:
 - For single family (one to four units) residential buildings:
 - Unit density is not increased beyond four units,
 - The land use is not changed, and
 - The footprint of the building is not increased in a floodplain or wetland.
 - For multi-family residential structures:
 - Unit density is not changed more than 20 percent;
 - The project does not involve changes in land use from residential to nonresidential; and
 - The estimated costs of rehabilitation is less than 75 percent of the total estimated replacement cost after rehabilitation.
 - For non-residential structures including commercial, industrial and public buildings:
 - The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and

- The activity does not involve a change in land use, e.g., from commercial to industrial, from non-residential to residential, or from one industrial use to another.

- ♦ An individual action (e.g., acquisition, demolition, construction, disposition, refinancing, development) on up to four dwelling units where there is a maximum four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between;

- ♦ An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site;

- ♦ Acquisition (including leasing) or disposition of, or equity loans on an existing structure or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use.

- ♦ Combinations of the above activities

The Environmental Officer must list all the activities associated with the project, review the information contained within this policy guide and match each activity to the appropriate classification. Aggregating related activities ensures the recipient adequately addresses and analyzes the separate and combined impacts of a proposed project.

ENVIRONMENTAL ASSESSMENT 58.36

Activities which are neither exempt nor categorically excluded (under either category) will require an environmental assessment documenting compliance with NEPA and with the environmental requirements of other Federal laws. The responsible entity must be aware that if a project consists of several activities that by themselves would fall under various levels as outlined above, the responsible entity must conduct an environmental assessment on the entire project.

ENVIRONMENTAL IMPACT STATEMENTASSESSMENT 58.36

An Environmental Impact Statement (EIS) is required when a project is determined to have a potentially significant impact on the environment. Consult with MHC if an EIS is anticipated.

The following table has been developed to assist with the classification of activities. However, the funding recipient is advised to read the regulations listed under the exempt, categorically excluded ("subject to" or "not subject to" Sec. 58.5) 58.6 and environmental assessment (EA) activity sections of this notice for more detail.

Acquisition/Disposition	Categorically Excluded Subject to Sec. 58.5
Rehabilitation – Residential	Categorically Excluded Subject to Sec. 58.5 or Environmental Assessment
Planning and Technical Assistance	Exempt
General Administration	Exempt

Note: The above chart is not a substitute for the environmental review process. It is only providing an example of projects and the possible level of review.

Outline of Environmental Review Record (ERR) Items

The following items will be needed in a recipient's ERR depending on the type of project the recipient is completing.

Exempt Activities [24 CFR 58.34]

- Cover Sheet
- Determination of Level of Review
- Certification of Exemption for HUD-Funded Projects
- Compliance Documentation Checklist 58.6 (With Supporting Documentation)

Categorical Exclusion Not Subject to (CENST) Activities [24 CFR 58.35(b)]

- Cover Sheet
- Determination of Level of Review
- Finding of Categorical Exclusion Not Subject to Activity
- Compliance Documentation Checklist 58.6 (With Supporting Documentation)

Categorical Exclusion Subject to (CEST) Activities [24 CFR 58.35(a)]

- Cover Sheet
- Cultural Resource Assessment (SHPO/THPO) **If necessary*
- Determination of Level of Review
- 8 Step Process (if necessary)
- Statutory Checklist (With Attached Supporting Documentation)
- Compliance Documentation Checklist 58.6 (With Supporting Documentation)
- 7-Day Public Notice NOI/RROF Publication
- RROF/Certification
- Mississippi Department of Archives and History Response Letter

Environmental Assessment [24 CFR 58.36]

- Cover Sheet
- Cultural Resource Assessment (SHPO/THPO)
- Determination of Level of Review
- Environmental Assessment Format II (With Supporting Documentation) **If necessary*
- 15-Day Public Notice FONSI & NOI/RROF Publication
- RROF/Certification
- Phase I (if necessary)
- Phase II (if necessary)
- 8 Step Process (if necessary)
- Mississippi Department of Archives and History Response Letter

CONDUCTING THE APPROPRIATE LEVEL OF REVIEW

To begin the Environmental Review Process, funding recipients must first determine the appropriate level of review for each project. The term “project” can be defined as an activity or group of activities geographically, functionally, or integrally related, regardless of funding source, to be undertaken by the recipient, sub recipient, or a public or private entity in whole or in part to accomplish a specific objective. This section will focus upon the four levels of reviews that are recognized under the 24 CFR 58.

- Exempt Activities
- Categorically Exclude Activities
- Environmental Assessment (EA) Activities
- Environmental Impact Statement (EIS) Activities

EXEMPT PROJECTS

To complete the level of review for exempt projects, if a project is determined to be exempt the responsible entity is required to

1. Document in writing that the project is exempt and meets the conditions for exemption.
2. The responsible entity must complete the Finding of Exemption.
3. The responsible entity must complete the Compliance Documentation Checklist 58.6
4. The form must be signed by the certifying official and a copy sent to MHC for review.
5. Place the documentation in the ERR file

CATEGORICALLY EXCLUDED PROJECTS NOT SUBJECT TO PART 58.5

To complete environmental requirements for Categorically Excluded projects not Subject to 24 CFR Part 58.5, the responsible entity must take the following steps:

1. Make a finding of Exemption for all exempt activities and place in the ERR.
2. Make a finding of Categorical Exclusion Not Subject to 58.5 and put in the ERR.
3. Carry out any applicable requirements of 24 CFR Part 58.6 and document the ERR.
4. Make a Finding of Categorical Exclusion and place it in the Environmental Review Record (ERR).

CATEGORICALLY EXCLUDED PROJECTS SUBJECT TO 24 CFR PART 58.5

To complete environmental requirements for Categorically Excluded projects subject to 24 CFR Part 58.5, the responsible entity must take the following steps:

1. Make Finding of Exemption for all exempt activities and place in the ERR.
2. Determine whether or not the project is located in or will have an impact on floodplains and/or wetlands.

MHC recommends that the recipient avoid floodplains and wetlands when undertaking project activities. However, when this cannot be avoided, specific review procedures over and above the review process described earlier are required. Since development in these areas is clearly an environmental issue, the effects of these actions must be clearly articulated in the environmental review process.

If the project is located in the floodplain or impacts the floodplain or wetlands, the RE must complete the floodplain requirements before proceeding with the categorical exclusion, environmental assessment or environmental impact statement. The RE should be aware that most kinds of acquisition or construction (including rehabilitation) in the floodplain trigger the requirement for an environmental assessment even if those activities would have otherwise been categorically excluded. Projects in Floodplains will be discussed later in this policy guide

1. Complete the Statutory Checklist for Categorically Excluded Activities/Projects. When documenting the statutory worksheet, "Not Applicable "NA" is not acceptable. If a statutory requirement is documented as "N/A" the RE must show verification documentation the requirement is "N/A". (Guidance for Documenting the Statutory Worksheet is provided later in this policy guide.)
2. Make a Finding of Categorical Exclusion and put this form in the ERR.
3. Provide Notice of Intent to Request a Release of Funds (NOI/RROF). After all, required public and agency comment periods have expired and all environmental issues are resolved, the grantee must provide notice of its intent to request MHC to release their funds. The notice informs the public of the intention to request release of funds at least seven days after the date of publication. The notice also says that the funding agency will receive objections for at least 15 days following receipt of the request.
4. The NOI/RROF must be published in a newspaper of general circulation. The grantee must retain the "tear sheet" from the newspaper evidencing that the notice was published and on what date along with the newspaper's affidavit certification.
5. The grantee must also send a copy of the notice (NOI/RROF) to interested parties (i.e., persons and entities that have commented on the environmental process or that have requested to be notified of environmental activities), local news media, appropriate local, state and Federal agencies, the regional Environmental Protection Agency (EPA) and to MHC.

TIP: All time periods for notices shall be counted in calendar days. The first day of a time period begins at 12:01 a.m. local time on the day following the publication of the notice.

6. After the seven-day comment period has elapsed, the responsible entity must prepare and submit the actual Request for Release of Funds and Environmental Certification and attachments to MHC. The Environmental Certification certifies that the RE is compliance with all the environmental review requirements.

7. At the completion of the review, check the ERR to ensure that it contains the following documents:

- Finding of Categorical Exclusion (and Finding of Exemption, if applicable);
- Statutory checklist and supporting documents;
- Correspondence with the SHPO (and documentation of mitigating measures, if applicable);
- Floodplain notices and documentation of alternatives considered, if applicable;
- Full tear sheet from newspaper with Notice of Intent to Request Release of Funds; and
- Request for approval of evidentiary materials and release of funds, environmental certification and related correspondence.

ENVIRONMENTAL ASSESSMENT PROJECTS

If a project is not Exempt (24 CFR Part 58.34) or Categorically Excluded (24 CFR Part 58.35), the responsible entity must prepare a full Environmental Assessment Review in accordance with subpart E of this part. Therefore, the Modified Format II must be completed for projects in this category in order to comply with NEPA and the related Federal laws and authorities cited at Sec. 58.5. It should also be noted that if a project consists of several activities, some of which are categorically excluded and some which require an environmental assessment, the recipient must aggregate the related activities and conduct an environmental assessment on the entire project. The responsible entity must take the following steps to complete environmental requirements for projects requiring an environmental assessment:

- Make a finding of exemption for all exempt activities and place in ERR.
- Follow the instructions for categorically excluded projects subject to 24 CFR Part 58.5 to complete the statutory checklist, historic preservation and floodplain requirements.
- Prepare a project map showing the specific location of proposed activities in relation to major landmarks in the area.
- Send a detailed description and maps to the agencies indicated on the Agency Contact List (found in this policy guide). Describe how the activity will be carried out (e.g., stream crossing, road bores, new construction, slip line existing pipes, etc.). Provide topographical, USGS, National Wetlands Inventory, Aerial photos, road map, or other maps which precisely locate the project in relation to environmental features.
- Provide a copy of any source documentation related to their applicable environmental concern. Advise the agency of your preliminary findings and request the agency to provide a written determination of any potential project impacts. Allow approximately at least four business weeks for a response.

- Review the HUD Environmental Review and Documentation Guide for HOME Programs and begin preparation of the Assessment Checklist (found in the Modified Format II). Use verifiable source documents, relevant base data, and contact with authorities and experts to support the environmental findings.
- Reach a level of clearance finding indicating that the project is or is not an action likely to have a significant impact on the environment.
- Certifying Officer (see 24 CFR Part 58.13 of the regulations) should execute the declaratory statement at the end of the Modified Format II and Statement must be signed prior to the recipient issuing the Notice of Finding of No Significant Impact (FONSI) published in the newspaper.
- Prepare the Combined Notice of Finding of No Significant Impact (FONSI), Intent to Request Release of Funds (NOI/RROF) for publication in a newspaper of general circulation serving the jurisdiction. Remember to correctly state the significant dates that will occur. The FONSI/NOI-RROF Combined Notice has a fifteen-day comment period if published. The date of publication is NEVER counted when computing time periods.
- Once the comment period has expired, the recipient may submit a Request for Release of Funds and Certification, forward a copy to MHC for review. MHC then has fifteen days from the time of receipt of the Request or from the time specified in the Notice, whichever is later to receive objections to release of funds.
- Place the original documents, as well as printer's affidavits of newspaper notices in a file labeled ERR.

ENVIRONMENTAL IMPACT STATEMENT PROJECTS

An Environmental Impact Statement (EIS) details the recipient's final analyses and conclusions, according to NEPA, related to potential significant environmental impact of the project. The Responsible Entity must follow prescribed steps in the course of preparation, filing and review of an Environmental Impact Statement (See 24 CFR 58, Subpart G, and 40 CFR 1500-1508). An EIS may be required when:

- The project is so large that it triggers density thresholds, and commonsense suggests it may have a substantial environmental impact.
- A Finding of Significant Impact (FOSI) is found as a result of completing an environmental assessment for the project.
- ◆ Preparation of an EIS is mandatory if the project meets any of these requirements below: Contact the Compliance Bureau if you believe an EIS is required.
- Any project to provide a site or sites for hospitals and nursing homes with a total of at least 2,500 beds.
- Any project to remove, destroy, convert, or substantially rehabilitate at least 2,500 existing housing units.

- Any project to construct, install or provide sites for at least 2,500 housing units.
- Any project to provide water and sewer capacity for at least 2,500 housing units.
- Any project that exceeds the 2,500-unit threshold for nonresidential housing construction.

If the sole reason for preparing an EIS is that a project will exceed one or more of the thresholds listed above, the recipient may prepare an environmental assessment (EA). In such cases, if the recipient makes a Finding of No Significant Impact (FONSI), the FONSI must be made available for public review for at least 30 days before the recipient makes a final determination about whether to prepare an EIS.

DOCUMENTING THE STATUTORY CHECKLIST

The Statutory Checklist must be completed for Categorically Excluded Subject to and Environmental Assessment Projects. For EA projects, the Statutory Checklist is incorporated into the Environmental Assessment and must be completed. The Statutory Checklist evaluates 14 separate environmental issues and impacts. Each of these 14 items must be evaluated for every project. Within the Statutory Checklist, the recipient must follow instructions detailed in the Checklist and select either Status A or status B for each and every of the 14 items. By selecting Status A, the recipient is documenting that the project is in compliance either because the nature of the project does not implicate the authority under consideration or supporting information documents that the project compliance has-been achieved.

If Status A is marked, the recipient is noting that no further compliance is needed, and no further consultation, permitting, or additional evaluation are needed in regard to the Item evaluated. By selecting Status B, the recipient is documenting that the project requires additional compliance. This includes an additional compliance step or action, including but not limited to, consultation with or approval from an oversight agency, performance of a study or analysis, completion of remediation or mitigation measures, or obtaining a license or permit. Selecting Status B is also appropriate when a project site has not been identified as tiered review will be required and further compliance is necessary.

• Note that leaving any Compliance Documentation Section blank or providing a “not applicable” response to any of the 14 statutory items is not acceptable. A failure to review all 14 items will result in the recipient having to correct the Statutory Checklist and re-submit the information to MHC.

Statutory Checklist Process

A recipient should consult the appropriate statutes, authorities, executive orders, regulations, or policies as noted in each of the 14 items. 24 CFR 58.5 provides more information on the Related Federal laws and authorities that must be reviewed the goal of the evaluation is to obtain environmental compliance with each of the 14 items. Compliance can be obtained in some instances by the Recipient providing an appropriate narrative and source documentation within the Compliance Documentation section of the Statutory Checklist. In other instances, it is necessary to provide additional source documentation, including referencing agency website information, letters sent to agencies, agency responses, and any other relevant information.

The RE must retain all documentation (letters, maps, notes on comments of authorities contacted, etc.) to support the Compliance Documentation in the ERR. The recipient should use the best available information in order to achieve compliance. Federal or State Agency consultation may be necessary to provide a proper environmental evaluation. Agency responses may concur with a recipient's findings and result in no need for further action, may place conditions on the project prior to environmental clearance, or may halt the project until mitigating measures are identified, and steps have been taken to achieve compliance.

If permits are required, a listing of the specific permits needed and the procedures by which they will be obtained should be attached to the ERR. If mitigating actions are required, the RE should fully describe the actions the recipient will take to assure compliance. The Statutory Checklist must be prepared and signed by the Preparer prior to being signed by the RE Certifying Officer. A failure to have the Preparer sign the Statutory Checklist before the RE Certifying Officer will result in the recipient having to correct the Statutory Checklist and resubmit the information to MHC.

The following is guidance to explain the compliance areas of the Statutory Checklist and to provide possible sources of documentation. These instructions are a brief description of the essential findings needed to establish compliance. These instructions do not replace the applicable regulations. Applicable regulations take precedence over these instructions. The Responsible Entity (RE) must determine whether a proposal achieves compliance with each statute, Executive Order or regulation listed at §58.5, with or without requiring formal consultation, mitigation, permits or having effects on the protected resources for every HUD assisted proposal it determines to be categorically excluded per 24 CFR §58.35(a). The preparer of the Statutory Worksheet must REFER TO OR ATTACH SPECIFIC DOCUMENT SOURCES supporting the determinations made.

Historic Properties – 35 CFR 800

A) The undertaking has No Potential to Cause Effects on Historic Properties per 36 CFR 800.3(a)(1), or the RE and SHPO agree that there are No Historic Properties Affected per 36 CFR 800.4 or SHPO (or ACHP) has not objected within 30 days after receipt of such a fully documented determination.

B) The proposal has an effect on historic properties, OR SHPO or ACHP objects to a No Effect determination. Provide SHPO reasonable opportunity to comment, per §800.5 et seq., to mitigate effects on historic properties until resolution or consideration of ACHP comments.

Floodplain Management- 24 CFR PART 55, Executive Order 11988

A) The proposal does not involve property acquisition, management, construction, or improvements of more than four residential units within a Special Flood Hazard Area (SFHA) or 100-year floodplain designated as Zones A or V in FEMA/FIRM maps and does not involve a "critical action" (e.g., emergency facilities, facility for mobility impaired persons, etc.) within a 500-year floodplain (shaded X Zone or Zone B in FEMA/FIRM maps). If FEMA has not published flood maps, the RE must make a finding based on best available data, e.g., from the City/County Engineer or local Flood Control Agency.

B) Complete the 8-step decision making process according to 24 CFR Part 55.20 to determine whether there are practicable alternatives to locating the proposal in the Special Flood Hazard Area (SFHA) and to mitigate adverse effects. DO NOT APPROVE unless the record demonstrates that there are no practicable alternatives to locating the proposal in the SFHA.

Wetlands Protection – EO 11988

A) The project does not involve new construction, draining, dredging, channelizing, filling, diking, or impounding within or immediately adjacent to wetlands, marshes, wet meadows, mud flats or natural ponds per field observation and maps issued by the US Fish & Wildlife Service or U.S. Corps of Engineers.

B) Complete the 8-step decision making process in 24 CFR 55.20 to prove there are no practicable alternatives and to mitigate effects of the project on wetlands. DO NOT APPROVE unless the record demonstrates that there are no practicable alternatives to locating the proposal on wetlands. Such action also requires obtaining a permit from the U.S. Corps of Engineers under Section 404 of the Clean Water Act.

Coastal Zone Management - Sections 307 (c) (d) and 15 CFR Part 930

A) Document that the proposal does not involve the placement, erection or removal of materials, nor an increase in the intensity of use in the designated Coastal Zone (CZ) according to the State Coastal Commission, the certified local coastal plan, SF Bay Conservation & Development Commission, etc.

B) Secure concurrence from the CZ Commission or delegated local planning commission with your determination of consistency with the applicable CZ Plan, or obtain coastal zone permit for the proposed activities.

Sole Source Aquifers (Safe Drinking Water Act) – 40 CFR 149

A) The proposal is not located within a U.S. EPA-designated sole source aquifer watershed area per EPA Ground Water Office, **OR** the project need not be referred to EPA for evaluation according to the HUD-EPA (Region IX) Sole Source Aquifer Memorandum of Understanding of 1990.

B) Consult with the Water Management Division of EPA to design mitigation measures to avoid contaminating the aquifer and implement appropriate mitigation measures.

Endangered Species – 50 CFR 402

A) The RE determines that the proposal will have “no effect” OR “may affect but is not likely to adversely affect” any **federally protected** (listed or proposed) Threatened or Endangered Species (plants, animals, fish, or invertebrates), nor adversely modify their critical habitats. This finding is to be based on contact made with the U.S. Fish and Wildlife Service, the National Marine Fisheries Service or by special study completed by a

professional biologist or botanist. Only a “no effect” determination need not be sent to USFWS/NMFS for concurrence. A “may affect but not likely to adversely affect” determination must be submitted to either USFWS or NMFS, as applicable, for a 30-day-minimum consultation period.

- B) Consult with the USFWS or with the National Marine Fisheries Service, in accordance with 50 CFR Part 402, to reduce or remove adverse effects on T&E species and their critical habitats. Formal consultation with USFWS or NMFS is required for all federally funded “major construction” activities and all activities “likely to adversely affect” T&E species.

Wild and Scenic Rivers - Section 7[b] & [c]

- A) The project is not located within one mile of a listed Wild and Scenic River, **OR** the project will have no effects on the natural, free flowing or scenic qualities of a designated river in the National Wild and Scenic Rivers system.
- B) Consult with the U.S. Department of Interior, National Park Service for impact resolution and mitigation.

Clean Air Act – Sections 176[c][d] & 40 CFG 6, 51, 93

- A) The proposal is **located** within an “attainment” area for “criteria pollutants”, **OR**, if a “non-attainment” area, conforms with the EPA-approved conforms with the EPA-approved State Implementation Plan (SIP), per contact with the Air Quality Management District or Board, **AND** the project requires no individual NESHAP permit or notification;
- B) Negotiate suitable mitigation measures with the Air Quality Management District or Board, obtain necessary permits, and issue required notices. (For example, 40 CFR §61.145 requires 10- day prior notification to the Air Quality District Administrator whenever either 260 linear ft., 160 sq. ft., or 35 cubic ft., of asbestos containing material is to be disturbed).

Farmland Protection – 7 CFR 658

- A) The proposal site does not include prime or unique farmland, or other farmland of statewide or local importance as identified by the U.S. Department of Agriculture, Natural Resources Conservation Service NRCS (formerly the Soil Conservation Service, **OR** the project site includes prime or unique farmland, but is located in an area committed to urban uses;
- B) Request evaluation of land type from the NRCS using Form AD-1006 and consider the resulting rating in deciding whether to approve the proposal, as well as mitigation measures (including measures to prevent adverse effects on adjacent farmlands).

Environmental Justice – Executive Order 12898

- A) The proposed site is suitable for its proposed use and will NOT be adversely impacted by adverse health or environmental conditions;

- B) Site suitability is a concern; the proposal is adversely affected by environmental conditions impacting low income or minority populations. Avoid such impacts or mitigate them to the extent practicable. Address and mitigate the disproportional human health or environmental effects adversely affecting the low income or minority populations **OR** reject the proposal.

Noise Abatement and Control – 24 CFR 51B

- A) The proposal does not involve development of noise sensitive uses, OR the project is not within line-of-sight of a major or arterial roadway or railroad, OR ambient noise level is documented to be 65 LDN (CNEL) or less, based upon the HUD Noise Assessment Guidelines (NAG) for calculating noise levels and Airport Noise Contour maps;
- B) Apply the noise standard, per 24 CFR §51.101, to the decision whether to approve the proposal (see §51.104) and implement noise attenuation measures (NAG page 39-40) as applicable.

Explosive or Flammable Operations – 24 CFR 51 C

- A) The proposal is located at an Acceptable Separation Distance (ASD) from any above-ground explosive or flammable fuels or chemicals containers according to “Siting of HUD-Assisted Projects Near Hazardous Facilities”,

OR the proposal will expose neither people nor buildings to such hazards based on field observations; the project will involve new construction or increase in density.

- B) Reject the proposal or mitigate the blast overpressure and thermal radiation hazard with the construction of a barrier of adequate size and strength to protect the project and its occupants (per 24 CFR 51.205).

Hazardous Toxic Chemicals and Radioactive Materials – 24 CFR 58.5 [I][2][3]

- A) The subject and adjacent properties are free of hazardous materials, contamination, toxic chemicals, gasses and radioactive substances which could affect the health or safety of occupants or conflict with the intended use of the subject property. Particular attention must be given to nearby dumps, landfills, industrial sites and other operations with hazardous wastes or materials.

- B) Examine the pathways of exposure, assess the risk of exposure and mitigate the exposure to the toxic contamination accordingly by removing, stabilizing, shielding or encapsulating the toxic substances in accordance with the requirements of the appropriate Federal, state or local oversight agency;

OR reject the proposal, particularly if it involves acquisition. (All property proposed for use in HUD programs must be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or

conflict with the intended utilization of the property. This would require a Phase I environmental assessment for multifamily and non-residential properties. All Phase I environmental must meet the ASTM Standard E1527-00). The grantee can utilize the EPA Envirofacts Data Warehouse website <http://www.epa.gov/enviro> as a compliance tool.

Airport Clear Zones and Accident Potential Zones – 24 CFR 51 D

A) The project is not within an FAA-designated civilian airport Runway Clear Zone (RCZ) -or Runway Protection Zone, or within a military airfield Clear Zone (CZ) or Accident Potential Zone (APZ) -Approach Protection Zone, based upon information from the airport or military airfield administrator identifying the boundaries of such zones,

OR the project involves only minor rehabilitation,

OR the project involves only the sale or purchase of an existing property in the RCZ or CZ; this requires a Notice to the homeowner that the home they are purchasing is in a clear zone.

B) Reject the proposal; It is **HUD** policy not to provide any development assistance, subsidy or insurance in RCZs or CZs unless the project will not be frequently used or occupied by people and the airport operator provides written assurances that there are no plans to purchase the project site.

DOCUMENTATION 24 CFR PART 58

1. Historic Preservation

Documentation must include a copy of the letter submitted to and the response received from the State Historic Preservation Officer (SHPO) or, where applicable Tribal Historic Preservation Officer (THPO) (the need to contact the THPO may be determined through consultation with the SHPO).

If the SHPO or THPO response indicates that historic properties will not be affected or adversely affected by the project no further action is required. However, if the SHPO or THPO indicates that historic properties will or may be adversely affected by the project then you must consult with the SHPO/THPO or the Advisory Council on Historic Preservation to resolve or mitigate adverse effects prior to completing the Environmental Review (ER). See <http://www.achp.gov> for more information.

2. Floodplain Management

If your project (including auxiliary features such as storm water treatment facilities, roads, driveways, storage facilities, borrow or waste areas, etc.) is not in the 100-year floodplain (a.k.a. Special Flood Hazard Area) or for critical actions (See 24 CFR § 55.2[b][2]) the 500-year floodplain, place a copy of the Flood Insurance Rate Map (FIRM) with the site marked on the map in the Environmental Review Record (ERR).

If your project is in the 100-year floodplain or for critical actions the 500-year floodplain, HUD (Part 50) or the Responsible Entity (Part 58) must complete the eight-step decision making process at 24 CFR § 55.20 in writing; and publish the public notices required at 25 CFR §§ 55.20(b) & (g). For more information on the 8-step process consult the HUD regulations at 24 CFR Part 55. For assistance with reading FIRMS or making floodplain determination see <http://www.fema.gov>. In addition to the HUD requirements, projects resulting in any development in the 100-year floodplains will also require authorization from the Local Floodplain Administrator prior to beginning construction. The FIRM Map can be obtained in the City or County Planning Office or by visiting <http://www.fema.gov>.

3. Wetland Management

If the project involves new ground disturbance (including auxiliary features such as storm water treatment facilities, roads, driveways, storage facilities, borrow or waste areas, etc.) contact the local U.S. Army Corps of Engineers (USACE) office, or a qualified consultant to determine the presence or absence of wetlands, including non-jurisdictional wetlands. The USACE office for your region, county, and/or state, may be identified by visiting <http://www.usace.army.mil/about/Pages/Locations.aspx>.

If no wetlands are present then document this finding by including USACE determination or the consultant's report, which must contain a copy of a completed "Data Form: Routine Wetland Determination" for each habitat type on the project site, within the ERR. If your project impacts a wetland HUD (Part 50) or the Responsible Entity (Part 58) must complete the eight-step decision making process at 24 CFR § 55.20 in writing; and publish the public notices required at 25 CFR §§ 55.20(b) & (g). For more information on the 8-step process consult the HUD regulations at 24 CFR Part 55.

In addition to the HUD requirements, projects impacting wetlands may require USACE or State Water Quality program authorization prior to beginning construction. Required Documentation for the Statutory Checklist – 2009/2010

4. Coastal Zone Management

If the project involves new construction, conversion of land use, major rehabilitation of existing structures (including substantial improvement) or the acquisition of undeveloped land, and you are in a Coastal State determine if the project is located within the State's designated Coastal Zone Management Area (CZMA). State Coastal Zone Management Areas may be identified by visiting the applicable State Coastal Zone Management Act website which may be found at <http://coastalmanagement.noaa.gov> or contact Mississippi Department of Marine Resources.

If the project is not located within the State designated CZMA place a copy of the State CZMA map with a mark indicating that your project is outside the CZMA within the ERR. If the project is located within the State designated CZMA then the State Federal Consistency agent will have to review the project for consistency with the state coastal management program. Please refer to the web link <http://oceanservice.noaa.gov/topics/coasts/management/welcome.html> for more information.

5. Sole Source Aquifers

In Region IV, the sole source aquifers are located in Florida and Mississippi. If you are not in either the State of Florida or Mississippi include a copy of the webpage at <http://www.epa.gov/Region4/water/groundwater/r4ssa.html> in your ERR. If you are in Florida or Mississippi, refer to the same website to determine if the project is located within the watershed of the designated sole aquifer. If the project is in fact in the watershed of a sole source aquifer you must consult with US Environmental Protection Agency (EPA), Regional Office to resolve or mitigate adverse effects prior to completing the ER. See <http://www.epa.gov/Region4/water/groundwater/r4swap.html> for more information.

6. Threatened and Endangered Species

If the project involves ground disturbance; vegetation removal; filling of ponds, streams, or other waters; or generation of atypical noise levels, contact the US Fish and

Wildlife Service (USFWS) or a qualified consultant to determine if the project may affect any threatened or endangered species. The USFWS office for your state or territory may be identified by visiting <http://www.fws.gov/endangered/contacts.html>. If the project will have no effect on any threatened or endangered species, document this finding by including a record of USFWS consultation, or the consultant's report, which must contain a biological assessment (see <http://www.fws.gov/southeast/es/consultation.html> for guidance on the contents of a biological evaluation), within the ERR.

If the project may affect any threatened or endangered species, directly or indirectly, then you must enter consultation with the USFWS to determine the potential effects. If the project's effects to threatened or endangered species are not likely to be adverse, then document completion of informal consultation by including the USFWS letter indicating concurrence with this finding in the ERR. If the project's effects to threatened or endangered species are likely to be adverse, then you must complete formal consultation with the USFWS to resolve or mitigate adverse effects prior to completing the ER. Please refer to the Florida Wildlife Service at <http://www.fws.gov/endangered/consultations/index.html> for more information.

7. Wild and Scenic Rivers

See <http://www.rivers.gov/wildriverslist.html> to determine if your project could affect a Wild and Scenic River (WSR). If the project could not affect a WSR include the WSR list for your state or territory in the ERR. If the project may affect a WSR, consult with the agency responsible for managing the WSR to resolve or mitigate possible adverse effects. The responsible managing agency for each WSR is provided with each WSR description. Required Documentation for the Statutory Checklist. – 2009/2010.

8. Clean Air Act

See <http://www.epa.gov/region4/air/naaqs/naaqs.htm> to determine if your community is within a non-attainment area. HUD, in accordance with 40 CFR § 93.153(c)(2), has found that following activities are exempt from determination of conformity requirements: 1.) construction of a roadway with an expected traffic volume of less than 20,000 AADT; 2.)

modification of an existing roadway resulting in an expected increase in traffic volume of less than 10,000 AADT; 3.) in non-attainment areas, construction of 1,000 new parking spaces or addition of 500 parking spaces to an existing facility; and 4.) in attainment areas, construction of 2,000 new parking spaces or addition of 1,000 parking spaces to an existing facility. If the project will not produce traffic or parking volumes exceeding the criteria for exemption, and result installation of stationary air emitters that require permits under state or territory law (e.g., large generators capable of supporting industrial or medical facilities) place a statement indicating such within the ERR.

If the project will produce traffic or parking volumes exceeding the criteria for exemption or result in the installation of stationary emitters that requires permits under state or territory law, then State Air Quality program will have to review the project for conformity with the State Implementation Plan (SIP). The State Air Quality program division or office in your state responsible for evaluating projects for conformity with the SIP may be found by visiting <http://www.cicacenter.org/airtool.cfm>. The abatement of lead-based paint (29 CFR §1926.1025) and asbestos (29 CFR §1926.1001) must be completed by licensed removal specialist. Furthermore, the EPA must be notified if asbestos will be disturbed or removed.

9. Farmland Protection

If the project will not result in new construction the Farmland Protection Policy Act (FPPA) does not apply. For project that result in new construction the FPPA does not apply if the project site is located within: a.) an “urbanized area” on the US Census Bureau Map); b.) an urban area on the USGS topographical map (as indicated by a “tint overprint”); (7 CFR § 658.2[a]); or c.) an area for which the decision to change the project site land use to a nonagricultural use has already been made as a result of local zoning (Chief Pearlie Reed, NRCS This Week, July 17, 1998).

If the project involves construction on vacant land not located in one of the aforementioned areas, you must contact the local Natural Resource Conservation Service for assistance in determining if the project will affect important farmland. Click on the following website - <http://offices.sc.egov.usda.gov/locator/app> to locate the local NRCS office.

10. Thermal and Explosive Hazards

This refers to above ground storage tanks of more than 100 gallons storing explosive and flammable liquids. If there are no above ground storage tanks located within 1-mile of the project site document the findings by including site visit notes, emergency agency correspondence, and copies of maps or aerial photographs reviewed within the ERR. If there are any above grounds storage tanks within 1-mile of the project site call HUD for further guidance or conduct analyses using the handbook. For new construction you must **REJECT** the site if it falls within the acceptable separation distance of any thermal or explosive hazards. For more information see 24 CFR Part 51 Subpart C. Required Documentation for the Statutory Checklist.

11. Noise

This refers to sources of noise that may affect the project. If the project is not located within 1,000 feet of any major highways (such as Interstates, U.S. Highways, State Routes and 4 lane curb-and-gutter roads that typically have Average Annual Daily Traffic volumes > 10,000), 3,000 feet of any railroads or 15 miles of major civilian or military airports document that the project will not be adversely affected by any of these sources by placing a map with the site marked on the map in the ERR. If any of the aforementioned conditions exist, a noise study must be conducted in accordance with ***The Noise Guidebook*** available at:

<http://www.hud.gov/offices/cpd/environment/training/guidebooks/noise/index.cfm>. If as a result of the noise assessment the project will result in new construction with placement of noise sensitive uses, both interior and exterior, in areas with Normally Unacceptable noise levels (> 65- 75 DNL) modify the project to resolve or mitigate the Normally Unacceptable noise levels or reject the project site.

If as a result of the noise assessment the project will result in new construction with placement of noise sensitive uses, both interior and exterior, in areas with Unacceptable noise levels (> 75 DNL) complete an Environmental Impact Statement (EIS), unless the EIS requirement is waived pursuant to 24 CFR §51.104(b)(2) or reject the project site. For rehabilitation activities involving noise sensitive facilities exposed to Normally Unacceptable or Unacceptable, HUD encourages incorporation of noise attenuation measures given the extent and nature of the rehabilitation being undertaken and the level of exterior noise exposure. For more information see 24 CFR Part 51 Subpart B.

12. Clearzones

If the project is not located within the Runway Clearzone (civil and military airports) or Accident Potential Zone (military airports), document this finding by including within the ERR a map showing the absence of civil airports within 3,000 feet of the project and military airfields within 2.5 miles from the end a runway at a military airfield, or documentation from the civil or military airport operator indicating that the project is not located within the Runway Clearzone or Accident Potential Zone.

If the project involves construction or structural improvement and the site is within a Runway Clearzone or Accident Potential Zone the site must be **REJECTED** unless the project meets the conditions outlined at 24 CFR §51.303. For more information see 24 CFR Part 51 Subpart D.

13. Toxics

To determine if there are any federally recorded contaminated sites on or near the project refer to http://www.epa.gov/enviro/html/multisystem_query_java.html. It is also recommended that you contact the state environmental agency to determine if there are state recorded contaminated sites on or near the project site. You should also observe the site and note the presence or absence potential contamination indicators such as chemical odors, unidentified pipes, soil or pavement staining, distressed vegetation, unidentified barrels or containers, and evidence of frequent automobile or equipment repair activities.

If potential contaminants are identified based on these reviews, a qualified environmental professional must be hired to complete a site investigation to assess for contamination.

Single-family projects are when there are one-to-four units; for commercial, industrial and multi-family (five or more units) housing projects, including lease, purchase or rehabilitation activities, a qualified professional must be hired to complete a Phase I Environmental Site Assessment (Phase I) in accordance with ASTM Standard E-1527-05. Required Documentation for the Statutory Checklist – 2009/2010.

If no potential contaminates or Recognized Environmental Concerns (RECs) are identified, place the documentation to support this finding in the ERR. If potential contaminates or RECs are identified further assessment including completion of additional records reviews or sampling may be needed to determine if contaminants are actually present on the property. If contaminants are present at harmful levels, then the property may be rejected, the contaminants removed (remediated), or, institutional/engineering controls, when allowed by the HUD program, implemented to prevent site users from coming into contact with the contaminants.

14. Environmental Justice

Determine if the project will be affected by environmental conditions (i.e., toxic pollutants, hazardous industrial operations, landfills or dumps, foul odor producing operations, explosive or flammable operations, or high automobile or train traffic hazards) that may have a disproportional effect on low income or minority populations. If you do not have environmental conditions that may have disproportional effects on low income or minority populations, you do not have an environmental justice impact. If you have environmental conditions that may have disproportional effects on low income and /or minority populations, visit <http://www.epa.gov/compliance/environmentaljustice/assessment.html> to do an environmental justice query for the area of concern. If the query indicates a potential environmental justice impact, **reject** the site and / or provide evidence to indicate mitigation of the hazard(s). See <http://www.epa.gov.html> for additional information.

15. Flood Insurance

If your project is not in the Special Flood Hazard Area (SFHA), place a copy of the FIRM with the site marked on the map in the ERR. If your project is in the SFHA, all structures (walled and roofed buildings or manufactured homes) located in the SFHA must be insured under National Floodplain Insurance Program and proof of insurance must be included in the ERR. For more information see <http://www.fema.gov>.

16. Coastal Barrier Resources

If your project is not in a Coastal Barrier Resource System (CBRS) area, place a copy of the FIRM with the site marked on the map in the ERR. If your project is in a CBRS area development is generally not allowed with federal funds. See <http://www.fws.gov> for more information.

17. Clearzone Notification

If the project is located within the Runway Clearzone or Clearzone and it satisfies the conditions outlined in 24 CFR § 51.303 for HUD assistance, the property owner shall be advised that the property is in a Runway Clearzone or Clearzone and what the implications of such a location are. For more information see 24 CFR Part 51 Subpart D.

18. Water Quality

In accordance with Section 404 of the Clean Water Act (CWA), if your project is determined to cause the loss of any jurisdictional wetlands, streams (including modified streams and wet weather channels), or open waters, U.S. Army Corps of Engineers authorization may be required prior to beginning project construction. Prior authorization requirements are contingent upon the project type and the authorizing permit. In accordance with Section 401 of the Clean Water Act, State Water Quality program authorization may also be required prior to beginning project construction. The USACE office for your state or region may be identified by visiting <http://www.usace.army.mil/about/Pages/Locations.aspx>.

The State Water Quality program division or office in your state that is responsible for approving activities under Section 401 of the CWA may be found by visiting <http://www.cicacenter.org/swift.html>. Under the CWA, wetlands are identified in accordance with the 1987 USACE Wetland Delineation Manual, which may be found at <http://www.saw.usace.army.mil/WETLANDS/where/imap2/index.html>. Required Documentation for the Statutory Checklist – 2009/2010 In accordance with Section 402 of the CWA, all construction activities that disturb one or more acres of land must be covered under a permit to discharge storm water. If your project will disturb one or more acres and it is not occurring on a tribal land you must contact the local State Water Quality program and obtain a storm water discharge permit prior to beginning construction.

The State Water Quality program division or office in your state that is responsible for administering Section 402 of the CWA may be found by visiting <http://www.cicacenter.org/swrl.html>. If your project will disturb one or more acres and it is occurring on tribal land in the HUD Region IV states of Alabama, Florida, Mississippi, or North Carolina, you must contact the EPA and obtain a storm water discharge permit prior to beginning construction. You will be able to access additional information if your project(s) are occurring on tribal lands in the HUD Region IV states listed above by referring to <http://cfpub2.epa.gov/npdes/stormwater/authorizationstatus.cfm>.

19. Solid Waste

Will the project generate hazardous waste? If yes, contact the State Environmental Division to determine proper tracking and disposal methods. Pursuant to 40 CFR § 261.4 (b)(1) household waste is not considered a regulated hazardous waste under the Resource Conservation Recovery Act.

20. Fish and Wildlife

If the project will not result in impounding, diverting, deepening, channelizing or modification of a stream or other body of water no further action is required regarding compliance with the Fish and Wildlife Coordination Act. If the project will result in impounding, diverting, deepening, channelizing or modification of a stream or other body of water consult with the USFWS and State Wildlife Agency to determine what affect the project may have on wildlife resources and, if applicable, resolve or mitigate adverse effects.

Organizational Letterhead

January 1, 2021

Shirley Thompson
Environmental Impact Officer
Mississippi Home Corporation
735 Riverside Drive
Jackson, Mississippi 39202

RE: [Grant Program]
[Grant #] _____

Dear Mrs. Thompson:

Attached, please find the environmental paperwork for [Project]. This project will involve [Type of project (i.e., rehab/acquisition/new construction/etc.)]. We believe this project is exempt per 24 CFR Part 58.35 (a) (1). The following forms are also included: NEPA 1, NEPA 2, Compliance Documentation Checklist and the Statutory Worksheet.

Program Activity/Description:

Project Name:

Project Location:

Should you need any additional information please feel free to contact me at _____.

Sincerely,

John Doe, Title
Organization

Enclosures



Certification of Categorical Exclusion (Subject to 58.5)

Determination of activities per 24 CFR 58.35(a)

May be subject to provisions of 24 CFR 58.6, as applicable

Project Name: _____
Project Description: _____
Address: _____
Funding Source: CDBG _____ HOME _____ ESG _____ HOPWA _____ EDISP _____ Other _____
Funding Amount: \$ _____ Grant Number: _____

- ☐ 1. Acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings) when the facilities and improvements are in place and will be retained in the same use without change in size or capacity of more than 20 percent (e.g., replacement of water or sewer lines, reconstruction of curbs and sidewalks, repaving of streets);
- ☐ 2. Special projects directed to the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and disabled persons;
- ☐ 3. Rehabilitation of buildings and improvements when the following conditions are met:
- ☐ i In the case of a building for residential use (with one to four units), the density is not increased beyond four units, the land use is not changed, and the footprint of the building is not increased in a floodplain or in a wetland.
- ☐ ii In the case of multifamily residential buildings:
- a Unit density is not changed more than 20 percent;
- b The project does not involve changes in land use from residential to non-residential; and
- c The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.
- ☐ ii In the case of non-residential structures, including commercial, industrial, and public buildings:
- i
- a The facilities and improvements are in place and will not be changed in size or capacity by more than 20 percent; and
- b The activity does not involve a change in land use, such as from non-residential to residential, commercial to industrial, or from one industrial use to another;
- ☐ 4.
- ☐ i An individual action on a one-to four-family dwelling up to four dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between; or
- ☐ ii An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site.
- ☐ ii Items (i) and (ii) do not apply to rehabilitation of a building for residential use (with one or more units);
- ☐ 5. Acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use;
- ☐ 6. Combination of the above activities.

Certification of Categorical Exclusion – (Subject to Part 58.5)

Revised (Oct/2010)

Certification of Categorical Exclusion (Subject to 58.5) Checklist

The responsible entity must complete and attach a Statutory Worksheet. If there are circumstances that require compliance with any of the Federal laws and authorities cited in 24 CFR 58.5 you must complete consultation or mitigation requirements. Publish a Notice of Intent to Request Release of Funds and obtain Authority to Use Grant funds (HUD 7015.16) per 24 CFR 58.70 and 58.71 before drawing down funds.

If there are no circumstances that require compliance with any of the Federal laws and authorities cited in 24 CFR 58.5 the project converts to Exempt per 24 CFR 58.34(a)(12). Therefore, you do not have to submit a Request for Release of Funds and no further approval from HUD is needed before drawing down funds. However, the Responsible Entity must still document in writing its compliance with and/or applicability of “other requirements” per 24 CFR 58.6 (included with this document).

By signing below – the Responsible Entity certifies in writing that each activity or project is Categorically Excluded (Subject to 58.5) and meets the conditions specified for such determination under 24 CFR 58.35(a). Please keep a copy of this determination and Statutory Worksheet in your project files.

Responsible Entity Certifying Official Name
(please print)

Title

Responsible Entity Certifying Official Signature

Date



**U.S. Department of Housing and Urban
Development**

451 Seventh Street, SW
Washington, DC 20410
www.hud.gov

espanol.hud.gov

Environmental Review for Activity/Project that is Categorically Excluded Subject to Section 58.5 Pursuant to 24 CFR 58.35(a)

Project Information

Project Name:

Responsible Entity:

Grant Recipient (if different than Responsible Entity):

State/Local Identifier:

Preparer:

Certifying Officer Name and Title:

Grant Recipient (if different than Responsible Entity):

Consultant (if applicable):

Direct Comments to:

Project Location:

Description of the Proposed Project [24 CFR 50.12 & 58.32; 40 CFR 1508.25]:

Level of Environmental Review Determination:

Categorically Excluded per 24 CFR 58.35(a), and subject to laws and authorities at §58.5:

Funding Information

Grant Number	HUD Program	Funding Amount

Estimated Total HUD Funded Amount:

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]:

Compliance with 24 CFR 50.4, 58.5, and 58.6 Laws and Authorities

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 & 58.6		
Airport Hazards 24 CFR Part 51 Subpart D	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Flood Insurance Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]	Yes No <input type="checkbox"/> <input type="checkbox"/>	
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 & 58.5		
Clean Air Clean Air Act, as amended, particularly section 176(c) & (d); 40 CFR Parts 6, 51, 93	Yes No <input type="checkbox"/> <input type="checkbox"/>	

Coastal Zone Management Coastal Zone Management Act, sections 307(c) & (d)	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Contamination and Toxic Substances 24 CFR Part 50.3(i) & 58.5(i)(2)	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Endangered Species Endangered Species Act of 1973, particularly section 7; 50 CFR Part 402	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Explosive and Flammable Hazards 24 CFR Part 51 Subpart C	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Farmlands Protection Farmland Protection Policy Act of 1981, particularly sections 1504(b) and 1541; 7 CFR Part 658	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Floodplain Management Executive Order 11988, particularly section 2(a); 24 CFR Part 55	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Historic Preservation National Historic Preservation Act of 1966, particularly sections 106 and 110; 36 CFR Part 800	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Noise Abatement and Control Noise Control Act of 1972, as amended by the Quiet Communities Act of 1978; 24 CFR Part 51 Subpart B	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Sole Source Aquifers Safe Drinking Water Act of 1974, as amended, particularly section 1424(e); 40 CFR Part 149	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Wetlands Protection Executive Order 11990, particularly sections 2 and 5	Yes No <input type="checkbox"/> <input type="checkbox"/>	

Wild and Scenic Rivers Wild and Scenic Rivers Act of 1968, particularly section 7(b) and (c)	Yes No <input type="checkbox"/> <input type="checkbox"/>	
ENVIRONMENTAL JUSTICE		
Environmental Justice Executive Order 12898	Yes No <input type="checkbox"/> <input type="checkbox"/>	

Field Inspection (Date and completed by):

Summary of Findings and Conclusions:

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Law, Authority, or Factor	Mitigation Measure

Determination:

- ☐ This categorically excluded activity/project converts to **EXEMPT** per Section 58.34(a)(12), because it does not require any mitigation for compliance with any listed statutes or authorities, nor requires any formal permit or license; **Funds may be committed and drawn down after certification of this part** for this (now) EXEMPT project; OR
- ☐ This categorically excluded activity/project cannot convert to Exempt status because one or more statutes or authorities listed at Section 58.5 requires formal consultation or mitigation. Complete consultation/mitigation protocol requirements, **publish NOI/RROF and obtain "Authority to Use Grant Funds"** (HUD 7015.16) per Section 58.70 and 58.71 before committing or drawing down any funds; OR
- ☐ This project is not categorically excluded OR, if originally categorically excluded, is now subject to a full Environmental Assessment according to Part 58 Subpart E due to extraordinary circumstances (Section 58.35(c)).

Preparer Signature: _____ Date: _____

Name/Title/Organization: _____

Responsible Entity Agency Official Signature: _____ Date: _____

Name/Title: _____

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).



U.S. Department of Housing and Urban
Development

451 Seventh Street, SW
Washington, DC 20410

www.hud.gov
espanol.hud.gov

Environmental Assessment Determinations and Compliance Findings for HUD-assisted Projects 24 CFR Part 58

Project Information

Project Name:

Responsible Entity:

Grant Recipient (if different than Responsible Entity):

State/Local Identifier:

Preparer:

Certifying Officer Name and Title:

Grant Recipient (if different than Responsible Entity):

Consultant (if applicable):

Direct Comments to:

Project Location:

Description of the Proposed Project [24 CFR 50.12 & 58.32; 40 CFR 1508.25]:

Statement of Purpose and Need for the Proposal [40 CFR 1508.9(b)]:

Existing Conditions and Trends [24 CFR 58.40(a)]:

Funding Information

Grant Number	HUD Program	Funding Amount

Estimated Total HUD Funded Amount:

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]:

Compliance with 24 CFR 50.4, 58.5, and 58.6 Laws and Authorities

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 and 58.6		
Airport Hazards 24 CFR Part 51 Subpart D	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Flood Insurance Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]	Yes No <input type="checkbox"/> <input type="checkbox"/>	
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 & 58.5		
Clean Air Clean Air Act, as amended, particularly section 176(c) & (d); 40 CFR Parts 6, 51, 93	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Coastal Zone Management Coastal Zone Management Act, sections 307(c) & (d)	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Contamination and Toxic Substances 24 CFR Part 50.3(i) & 58.5(i)(2)	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Endangered Species Endangered Species Act of 1973, particularly section 7; 50 CFR Part 402	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Explosive and Flammable Hazards 24 CFR Part 51 Subpart C	Yes No <input type="checkbox"/> <input type="checkbox"/>	

Farmlands Protection Farmland Protection Policy Act of 1981, particularly sections 1504(b) and 1541; 7 CFR Part 658	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Floodplain Management Executive Order 11988, particularly section 2(a); 24 CFR Part 55	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Historic Preservation National Historic Preservation Act of 1966, particularly sections 106 and 110; 36 CFR Part 800	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Noise Abatement and Control Noise Control Act of 1972, as amended by the Quiet Communities Act of 1978; 24 CFR Part 51 Subpart B	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Sole Source Aquifers Safe Drinking Water Act of 1974, as amended, particularly section 1424(e); 40 CFR Part 149	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Wetlands Protection Executive Order 11990, particularly sections 2 and 5	Yes No <input type="checkbox"/> <input type="checkbox"/>	
Wild and Scenic Rivers Wild and Scenic Rivers Act of 1968, particularly section 7(b) and (c)	Yes No <input type="checkbox"/> <input type="checkbox"/>	
ENVIRONMENTAL JUSTICE		
Environmental Justice Executive Order 12898	Yes No <input type="checkbox"/> <input type="checkbox"/>	

Environmental Assessment Factors [24 CFR 58.40; Ref. 40 CFR 1508.8 &1508.27] Recorded below is the qualitative and quantitative significance of the effects of the proposal on the character, features and resources of the project area. Each factor has been evaluated and documented, as appropriate and in proportion to its relevance to the proposed action. Verifiable source documentation has been provided and described in support of each determination, as appropriate. Credible, traceable and supportive source documentation for each authority has been provided. Where applicable, the necessary reviews or consultations have been completed and applicable permits of approvals have been obtained or noted. Citations, dates/names/titles of contacts, and page references are clear. Additional documentation is attached, as appropriate. **All conditions, attenuation or mitigation measures have been clearly identified.**

Impact Codes: Use an impact code from the following list to make the determination of impact for each factor.

- (1)** Minor beneficial impact
- (2)** No impact anticipated
- (3)** Minor Adverse Impact – May require mitigation
- (4)** Significant or potentially significant impact requiring avoidance or modification which may require an Environmental Impact Statement

Environmental Assessment Factor	Impact Code	Impact Evaluation
LAND DEVELOPMENT		
Conformance with Plans / Compatible Land Use and Zoning / Scale and Urban Design		
Soil Suitability/ Slope/ Erosion/ Drainage/ Storm Water Runoff		
Hazards and Nuisances including Site Safety and Noise		
Energy Consumption		

Environmental Assessment Factor	Impact Code	Impact Evaluation
SOCIOECONOMIC		
Employment and Income Patterns		
Demographic Character Changes, Displacement		

Environmental Assessment Factor	Impact Code	Impact Evaluation
COMMUNITY FACILITIES AND SERVICES		
Educational and Cultural Facilities		
Commercial Facilities		

Health Care and Social Services		
Solid Waste Disposal / Recycling		
Wastewater / Sanitary Sewers		
Water Supply		
Public Safety - Police, Fire and Emergency Medical		
Parks, Open Space and Recreation		
Transportation and Accessibility		

Environmental Assessment Factor	Impact Code	Impact Evaluation
NATURAL FEATURES		
Unique Natural Features, Water Resources		
Vegetation, Wildlife		
Other Factors		

Additional Studies Performed:

Field Inspection (Date and completed by):

List of Sources, Agencies and Persons Consulted [40 CFR 1508.9(b)]:

List of Permits Obtained:

Public Outreach [24 CFR 50.23 & 58.43]:

Cumulative Impact Analysis [24 CFR 58.32]:

Alternatives [24 CFR 58.40(e); 40 CFR 1508.9]

No Action Alternative [24 CFR 58.40(e)]:

Summary of Findings and Conclusions:

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Law, Authority, or Factor	Mitigation Measure

Determination:

☐ **Finding of No Significant Impact** [24 CFR 58.40(g)(1); 40 CFR 1508.27]

The project will not result in a significant impact on the quality of the human environment.

☐ **Finding of Significant Impact** [24 CFR 58.40(g)(2); 40 CFR 1508.27]

The project may significantly affect the quality of the human environment.

Preparer Signature: _____ Date: _____

Name/Title/Organization: _____

Certifying Officer Signature: _____ Date: _____

Name/Title: _____

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

Sample

Notice of Intent to Request a Release of Funds

The language below is HUD's recommended wording of the Notice of Intent to Request a Release of Funds. This Notice is used to request the environmental release of funds for Categorically Excluded projects [24 CFR Part 58, Section 58.35(a)] or for projects for which a Notice of Finding of No Significant Impact was previously issued. Words in **bold type** are required language. Words in *italics* are to be replaced by language appropriate to the particular project and Responsible Entity. The minimum comment period is seven days following publication or ten days if posting and mailing without publication is used

NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS

Date of Notice

Name of Responsible Entity [RE]

Address (e.g., Street No. or P.O. Box)

City, State, Zip Code

Telephone Number of RE

On or about *at least one day after the end of the comment period* **the name of RE will** *if the RE is not also the grant recipient, insert the following language here: "authorize the [name of grant recipient] to"* **submit a request to the HUD/State administering agency for the release of name of grant program funds under Title/Section [] of the name of the Act of [year], as amended, to undertake a project known as project title for the purpose of nature/scope of project, estimated funding (include non-HUD funding sources if applicable) and project location if applicable.**

The activities proposed alternative #1: are categorically excluded under HUD regulations at 24 CFR Part 58 from National Environmental Policy Act (NEPA) requirements or alternative #2: comprise a project for which a Finding of No Significant Impact on the environment was [published/posted] on [date of Finding publication/posting]. An Environmental Review Record (ERR) that documents the environmental determinations for this project is on file at name and address of RE office where ERR can be examined and name and address of other locations where the record is available for review and may be examined or copied weekdays A.M to P.M.

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to the RE designated office responsible for receiving and responding to comments. All comments received by if notice is published: notice date plus seven days; if notice is mailed and posted: mailing and posting date plus ten days will be considered by the name of RE prior to authorizing submission of a request for release of funds.

ENVIRONMENTAL CERTIFICATION

The name of RE certifies to HUD/State that name of Certifying Officer in his/her capacity as Official Title consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's State's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the name of grant recipient to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

HUD/State will accept objections to its release of fund and the RE's certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the name of RE; (b) the RE has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by HUD/State; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to HUD/State administration office at address of that office. Potential objectors should contact HUD/State to verify the actual last day of the objection period.

Name and Title of RE Certifying Officer

Note: The seven or ten-day public comment periods are the minimum time periods required by regulation prior to submission of a Request for Release of Funds and Certification [form HUD-7015.15] to HUD/State. The Responsible Entity may choose to allow a longer comment period. The fifteen-day objection period following submission of the request is a statutory requirement. The objection period follows the submission date specified in the Notice or the actual date of receipt by HUD/State, whichever is later.

Following completion of the comment period recipients may FAX the form HUD-7015.15 to HUD/State together with a copy of the public notice and a cover letter stating whether comments were received and, if so, how the recipient responded to the comment. The Request for Release of Funds and Certification should not be submitted before the recipient has responded. If the request is sent by FAX, the original signed form should be mailed to HUD/State. The date of receipt by FAX will be counted as the submission date. However, HUD will not issue the 7015.16 "Authority to Use Grant Funds" until after the original signed form is received.

Sample Notice of Finding of No Significant Impact and Notice of Intent to Request a Release of Funds

The language below is HUD's recommended wording of the combined Notice of Finding of No Significant Impact and Notice of Intent to Request a Release of Funds. This Notice is used for projects requiring an Environmental Assessment (24 CFR Part 58, Section 58.36). Words in **bold type** are required language. Words in *italics* are to be replaced by language appropriate to the particular project and Responsible Entity.

NOTICE OF FINDING OF NO SIGNIFICANT IMPACT AND NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS

Date of Notice

Name of Responsible Entity [RE]

Address (e.g., Street No. or P.O. Box)

City, State, Zip Code

Telephone Number of RE

These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the *name of RE or grant recipient*.

REQUEST FOR RELEASE OF FUNDS

On or about at least one day after the end of the comment period **the name of RE will** if the RE is not also the grant recipient, insert the following language here: "authorize the [*name of grant recipient*] to" **submit a request to the HUD/State administering agency for the release of name of grant program funds under Title/Section [] of the name of the Act of [year], as amended, to undertake a project known as project title for the purpose of nature/scope of project, estimated funding (include non-HUD funding sources if applicable) and project location if applicable.**

FINDING OF NO SIGNIFICANT IMPACT

The name of RE has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) on file at name and address of RE office where ERR can be examined and name and address of other locations where the record is available for review and may be examined or copied weekdays A.M to P.M.

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to the RE designated office responsible for receiving and responding to comments. All comments received by if notice is published: publication date plus fifteen days; if notice is mailed and posted: mailing and posting date plus eighteen days will be considered by the name of RE prior to authorizing submission of a request for release of funds. Comments should specify which Notice they are addressing.

ENVIRONMENTAL CERTIFICATION

The name of RE certifies to HUD/State that name of Certifying Officer in his/her capacity as Official Title consents to accept the jurisdiction of the Federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's State's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the name of grant recipient to use Program funds.

OBJECTIONS TO RELEASE OF FUNDS

HUD/State will accept objections to its release of fund and the RE's certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the name of RE; (b) the RE has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by HUD/State; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be addressed to HUD/State administration office at address of that office. Potential objectors should contact HUD/State to verify the actual last day of the objection period.

Name and Title of RE Certifying Officer

Note: The fifteen or eighteen-day public comment periods are the minimum time periods required by regulation prior to submission of a Request for Release of Funds and Certification (form HUD-7015.15) to HUD/State. The Responsible Entity may choose to allow a longer comment period. 24 CFR Part 58 requires, at Section 58.46, "Time delays for exceptional circumstances," a 30-day comment period for controversial or unique projects or those similar to projects normally requiring preparation of an Environmental Impact Statement. The fifteen-day objection period is a statutory requirement. The objection period follows the submission date specified in the Notice or the actual date of receipt by HUD/State, whichever is later.

Following completion of the comment period recipients may FAX the form HUD-7015.15 to HUD/State together with a copy of the public notice and a cover letter stating whether comments were received and, if so, how the recipient responded to the comment. The Request for Release of Funds and Certification should not be submitted before the recipient has responded. If the request is sent by FAX, the original signed form should be mailed to HUD/State. The date of receipt by FAX will be counted as the submission date. However, HUD will not issue the 7015.16 "Authority to Use Grant Funds" until after the original signed form is received.

ENVIRONMENTAL RESOURCE LINKS

Basics of a Part 58 Environmental Review (video)

<https://www.hudexchange.info/programs/environmental-review/environmental-review-training/>

Summary of Environmental Laws and Authorities

(Once you click the link, look to the bottom, right of the page under Federal Related Laws and Authorities)

<https://www.hudexchange.info/environmental-review/coastal-barrier-resources/>

NEPAssist Tool

<https://nepassisttool.epa.gov/nepassist/nepamap.aspx>

STATUTES, EXECUTIVE ORDERS AND REGULATIONS LISTED AT 24 CFR 58.5	CONTACT AND ADDRESSES		
HISTORIC PRESERVATION 36 CFR Part 800	MISSISSIPPI DEPARTMENT OF ARCHIVES AND HISTORY Attn: Review and Compliance Officer P.O. Box 571 Jackson, MS 39205 60-576-6850 https://www.nps.gov/nr/research/ [National Registry] <ul style="list-style-type: none"> https://www.nps.gov/maps/full.html?mapId=7ad17cc9-b808-4ff8-a2f9-a99909164466 http://www.apps.mdah.ms.gov/Public/search.aspx [Mississippi Registry] <ul style="list-style-type: none"> http://www.apps.mdah.ms.gov/Public/params.aspx?rpt=publicPropSearch 		
TRIBAL HISTORIC PRESERVATION 36 CRC Part 800.3(c)(3)	HUD TDAT Tribal Database https://egis.hud.gov/tdat		
FLOODPLAIN MANAGEMENT 24 CFR 55 & EXECUTIVE ORDER 11988	MISSISSIPPI EMERGENCY MANAGEMENT AGENCY P.O. Box 5644 Pearl, MS 39288-5644 601-933-6362 Include Readable Floodplain Map https://www.floodsmart.gov/floodsmart/pages/flooding_flood_risks/map_update_schedule.jsp FEMA Maps can be found at: https://msc.fema.gov/portal OR http://hazards.fema.gov/femaportal/prelimdownload/ Or (click View Web Map icon under Search Results to generate FIRM data)		
WETLAND PROTECTION EXECUTIVE ORDER 11990	<table border="0"> <tr> <td> Department of the Army, or Vicksburg District Corps of Engineer 4155 Clay Street Vicksburg, MS 39183-3435 </td> <td> Department of the Army, US Army Engineer District Mobile District Corps of Engineers 218 Summit Parkway, Suite 222 Homewood, AL 35209 </td> </tr> </table> National Wetland Inventory Map from the Fish and Wildlife Services www.fws.gov/wetlands	Department of the Army, or Vicksburg District Corps of Engineer 4155 Clay Street Vicksburg, MS 39183-3435	Department of the Army, US Army Engineer District Mobile District Corps of Engineers 218 Summit Parkway, Suite 222 Homewood, AL 35209
Department of the Army, or Vicksburg District Corps of Engineer 4155 Clay Street Vicksburg, MS 39183-3435	Department of the Army, US Army Engineer District Mobile District Corps of Engineers 218 Summit Parkway, Suite 222 Homewood, AL 35209		
COASTAL ZONE MANAGEMENT ACT SECTION 307 [c] & [d]	MISSISSIPPI DEPARTMENT OF MARINE RESOURCES ATTN: Jan Boyd 1141 Bayview Avenue Biloxi, MS 39530 228-374-5000		
SOLE SOURCE AQUIFERS 40 CFR 149	U.S. ENVIRONMENTAL PROTECTION AGENCY 61 Forsyth Street Atlanta, GA 30303-8960 404-562-9443 CONTACT AND ADDRESSES Sole Source Aquifer Map www.epa.gov/dwssa		
ENDANGERED SPECIES ACT 50 CFR 402	FISH AND WILDLIFE SERVICE MISSISSIPPI FIELD OFFICE 6578 Dogwood View Parkway, Suite A Jackson, MS 39213 601-965-4900 <i>[terrestrial and freshwater species]</i>		

	<p>NATIONAL MARINE FISHERIES SERVICE (National Oceanic & Atmospheric Administration) ATTN: Rachel Sweeney Rachel.Sweeney@noaa.gov 213 3rd St. South St. Petersburg, FL 33701 727-824-5312 <i>[marine species and anadromous fish, such as salmon]</i></p> <p>USFWS IPaC Initial Project Scoping Tool https://ecos.fws.gov/ipac/ Critical Habitat Mapper https://fws.maps.arcgis.com/home/webmap/viewer.html?webmap=9d8de5e265ad4fe09893cf75b8dbfb77</p>
<p>WILD AND SCENIC RIVERS ACT SECTION 7 [b] & [c]</p>	<p>DESOTO NATIONAL FOREST 654 West Frontage Road Wiggins, MS39577</p> <p>The Black Creek is designated as a scenic stream for the State of Mississippi. Include a map detailing project location as it relates to the scenic stream/river</p> <p>www.rivers.gov</p> <p>The National Park Service (Nationwide Rivers Inventory) https://www.nps.gov/subjects/rivers/nationwide-rivers-inventory.htm</p>
<p>CLEAN AIR ACT SECTIONS 176 [c][d] & 40 CFR 6, 51, 93</p>	<p>MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY Office of Pollution Control P. O. Box 2261 Jackson, MS 39225 601-961-5171</p> <p>Non-attainment Area maps and information www.epa.gov/green-book</p>

B. PROCUREMENT

Procurement policy for the HOME Investment Partnerships Program as administered by Mississippi Home Corporation is governed by 24 CFR Part 85 (Common Rule) and 2 CFR Part 200 and applicable state laws and regulations. Hand delivered bids must be date stamped, time recorded when bid was received, and initials of submitting and receiving parties. This documentation must be maintained in the project file for monitoring purposes. Any hand delivered bid received without the aforementioned information shall be deemed an unacceptable submission. The only exception to the rule would be in cases where bids are submitted via FedEx, UPS, USPS, or another similar carrier. In these cases, the recipient would identify the carrier, stamp date received from carrier, record time received from carrier, then initial.

All bids must be opened at the Recipient's official place of business. Recipients must be very mindful in the proper procedure for awarding bids to the lowest in price (24 CFR Part 85.36(d)(2)(ii)(D), handling equal bids, dealing with minor informalities (this must be well documented in the project file), rejection of bids (according to 24 CFR part 85.36(b)(9), and withdrawal of bids.

These policies and instructions may be modified periodically in response to changing state laws or program conditions.

The following procurement standards based upon current state law and 24 CFR Part 85 are currently in effect.

Methods of Procurement

SECTION 1 Section 31-7-13, Mississippi Code of 1972, is amended as follows:

SMALL PURCHASES

Bidding procedure for purchases not over \$5,000.00

Purchases which do not involve an expenditure of more than \$5,000 exclusive of freight or shipping charges may be made without advertising or otherwise requesting competitive bids.

1. Supplies and Nonprofessional services \$0 - \$5,000

- B. Contact **at least** two (2) vendors by **phone** to get price quotes
- C. Vendor documentation: (Specifications)
 - Name of firm
 - Firm's address and phone number
 - Name of Contact Person
 - Date and Time
 - Price Quoted

2. Supplies and Nonprofessional services \$5,000 - \$25,000

- A. Contact **at least** two (2) vendors to get written price quotes
- B. Vendor documentation: (Specifications)
 - Name of firm
 - Firm's address and phone number
 - Name of Contact Person
 - Date and Time
 - Price Quoted

COMPETITIVE PROPOSALS

3. Professional Service Providers (RFP'S)

- Consultants/Administrators
- Architects/Engineers
- Environmental (Lead Paint & Asbestos)
- Legal/Attorney
- Appraisals

Professional Service Providers – Advertising must be published at least **ONCE** in a newspaper of general circulation and actively solicited by certified, return receipt mail

Documentation of written technical requirements for services required, proof of publication of RFP, proof of solicitations, written technical evaluations of proposals to include cost analysis, minutes showing observation of date/time opening requirements, and proof of Mississippi Contract Procurement Center (MCPC) notification.

Architectural/Engineering Procurements

Recipients may use competitive proposal procedures for qualifications-based procurement of **architectural/engineering** services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected (24 CFR 85.36(4)(B)(v)). The same basic requirements utilized in competitive proposals apply with the following exceptions:

PRICE may not be utilized as a factor in the Request for Proposal for **Land Surveyors or Engineering Services**. Once a responsible offeror has been determined, the Recipient may then negotiate fair and reasonable compensation. If unable to reach an agreement with the most qualified, negotiate with the second ranked offeror.

"Cost plus a percentage of cost" or "percentage of construction cost" (estimated or actual), contracts are prohibited.

Mississippi Contract Procurement Center -- State law requires state agencies and Recipients to send to the Mississippi Contract Technical Assistance Program a written

notice of procurements in excess of \$15,000, simultaneously with sending "Request for Proposals" or "Invitations for Bid" to the newspaper. The address is as follows:

MISSISSIPPI CONTRACT TECHNICAL ASSISTANCE PROGRAM
501 N. West Street
JACKSON, MISSISSIPPI 39201
(601) 359-3448
mptap@mississippi.org
www.mississippi.org/mptap

Minority/Women Business Enterprises – Recipients are encouraged to solicit Minority Business Enterprise and Women Business Enterprise participation and utilization.

4. SEALED BIDS

Advertise **ONCE** each week for **two (2) consecutive weeks** in the local newspaper

Proof of Publication

Requirements:

Date, time and location to secure plans and specs
Deadline date, time and location to submit sealed bid
Submit copy to MS Procurement Technical Assistance Program (MPTAP)
MPTAP Confirmation
Solicit MBE/WBE

Procurement by sealed bids (formal advertising) - Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the following conditions apply:

- (i) A complete, adequate, and realistic specification or purchase description is available;
- (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
- (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
- (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

5. OPENED SEALED BIDS

The date as published for the bid opening shall not be less than:

7 days for non-construction activities
15 days for construction activities

6. NONCOMPETITIVE PROPOSALS

- The item is available only from a single source;
- The public emergency for the requirements will not permit a delay resulting for competitive solicitation;
- The awarding agency authorizes noncompetitive proposals; or
- After solicitation of several sources, competition is determined inadequate.

Multi-Service Contracts: Multi-service contracts are prohibited. The same supplier cannot provide more than one service to a project, e.g., housing inspector and asbestos inspector.

Bollinger memo: "The Bollinger Memo" ruling (as it is commonly called), as to the status of Planning and Development Districts in competitive proposals, is still in effect.

EXAMPLE

REQUEST FOR PROPOSAL TO PROVIDE ADMINISTRATIVE SERVICES

This is a Request for Proposal to provide Administrative Services for the (Recipient) of HOME Grant for (specific HOME activity).

You are invited to submit a proposal, in accordance with this request, to (the Recipient), of _____, County/Town/City Hall, _____, Mississippi, not later than _____ a.m./p.m. local time of ____ (date) ____, 20____.

The contract will be awarded to the responsible offeror whose proposal is within the competitive range and determined to be the most advantageous to the (Recipient), price and other factors considered. The factors to be considered in evaluation of proposals and their relative importance are set forth.

The Administrator shall prepare all the necessary administrative services to properly carry out all activities in the HOME Investment Partnership Grant project through closeout, in accordance with State and HUD prescribed rules, Federal Regulations, policies and State law.

The project includes the following activities_____. The contract will be on a lump sum basis.

Those desiring consideration should submit proposals by the time and date stated above and must include the following:

- Qualifications - List of qualifications of each staff person to be assigned to project.
- Experience - Information regarding the experience of the firm. This should include types of projects undertaken.
- Capacity for Performance - Identify the title of staff available to be assigned to provide services.
- Price – Indicate the amount required to carry out the project delivery activities.

All proposals will be rated on the following system (including description and maximum points) to determine the best offeror: Qualifications, Experience, Capacity, and Price totaling 100 points. Rating factors can be structured in any format of 100.

NOTE: The points assigned to each rating factor must be published in the Request for Proposals (RFPs).

Proposals will be reviewed by the selection committee using the above selection criteria. A written contract will be awarded to the firm whose proposal is within the competitive range and determined by the committee to be the most advantageous to the (Recipient), price and other factors considered. The contract will include scope and extent of work and other essential requirements. The (Recipient) reserves the right to reject any and all proposals.

C. FAIR HOUSING/EQUAL OPPORTUNITY

Fair Housing Laws and Presidential Executive Orders

The Fair Housing Laws:

Fair Housing Act

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

Title VI of the Civil Rights Act of 1964

Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Section 504 of the Rehabilitation Act of 1973

Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 109 of Title I of the Housing and Community Development Act of 1974

Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

Title II of the Americans with Disabilities Act of 1990

Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.

Architectural Barriers Act of 1968

The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.

Age Discrimination Act of 1975

The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

Title IX of the Education Amendments Act of 1972

Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

Fair Housing-Related Presidential Executive Orders:

Executive Order 11063

Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

Executive Order 11246

Executive Order 11246, as amended, bars discrimination in federal employment because of race, color, religion, sex, or national origin.

Executive Order 12892

Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.

Executive Order 12898

Executive Order 12898 requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.

Executive Order 13166

Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

Executive Order 13217

Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

For more information on Fair Housing Laws, please refer to the following website:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws.

Fair Housing/Equal Opportunity Compliance

To document compliance with fair housing requirements, recipient's records must include the following:

- Documentation of any recipient actions to affirmatively further fair housing (including providing funds, if applicable, for each action).
- For direct benefit activities, data must be maintained on the extent of participation and benefit by individuals involved in a program or activity funded totally or partially with HOME funds.
- Such records must be kept by race, ethnicity, gender of head of household, children, and handicap status

- Data on persons in households displaced as a result of HOME activities, including the following:
 - The race and ethnicity of the households,
 - The handicap status of any displaced persons, and
 - The address to which each displaced household is relocated
- Documentation of actions undertaken to meet the requirements of Section 3 of the Housing and Urban Development Act of 1968.

Fair Housing and Equal Opportunity (FHEO) Posters and Displays

FHEO posters must be posted in a general location of the Recipient's administration building or the location in which the public will visit. These posters, both English and Spanish version, should be in a **public** place and located in **plain view** to those entering and/or exiting the building in or near the common thoroughfare.

Minority/Women Business Enterprise

The Recipient must have procedures to encourage and use minority/women-owned businesses in carrying out the Homeowner Rehabilitation activities. Federal Regulations that require participation by minority/women business enterprises are Executive Orders 11625, 12432, 12138, and 24 CFR Part 85.36(e). The following indicates steps the Recipient should take in order to comply with the requirements of federal and state regulations to satisfy your attempt for MBE/WBE participation:

- 1 – Contact at least two (2) minority/women owned businesses by certified mail or other communication with record of action and allow them the opportunity to submit a proposal or bid to provide any service needed;
- 2 – Maintain records to document the extent of MBE/WBE contracting and subcontracting and submit to this office the semi-annual MBE Reports in a timely manner
- 3 – Develop a local MBE/WBE Directory

FAIR HOUSING AMENDMENTS ACT OF 1988 (P.L. 100-430)

The Fair Housing Amendments Act of 1988 provides stronger federal enforcement measures against discrimination in housing. It gives the Department of Housing and Urban Development authority to initiate enforcement actions and to penalize those who discriminate in the sale, rental, or financing of housing. In addition, the act adds persons with handicaps and families with children to those protected under Title VIII of the Civil Rights Act of 1968.

Action to Affirmatively Further Fair Housing

Under the HOME Contract, the Recipient is required to provide assurance that the program will be conducted and administered in conformity with Title VIII of the Civil Rights Act of 1968. Therefore, all projects must be administered in a manner so as to affirmatively further fair housing. Recipients must take action to affirmatively further fair housing.

Recipients must adopt policies and requirements to incorporate information contained in HOMEfires Volume 7 No 1 as indicated below:

The HOME final rule (24 CFR 92.351 a) requires PJs and state recipients to develop and adopt affirmative marketing procedures and requirements for rental and homebuyer projects containing five or more HOME-assisted units, regardless of the specific activity the HOME funds will finance (e.g., acquisition, rehabilitation, and/or new construction). **These procedures must be in writing.** The objective is to ensure that PJs and project owners design and employ a marketing plan that promotes fair housing by ensuring outreach to all potentially eligible households, especially those least likely to apply for assistance. Therefore, this affirmative marketing must consist of actions that provide information and otherwise attract eligible persons to available housing without regard to race, color, national origin, sex, religion, familial status (persons with children under 18 years of age, including pregnant women), or disability. The affirmative marketing requirements also apply to projects targeted to persons with special needs. Affirmative marketing procedures do not apply to programs that provide tenant-based rental assistance, owner-occupied rehab, or down-payment assistance only (i.e., down-payment assistance not tied to a specific HOME project). However, HUD strongly encourages PJs to market these programs in a manner consistent with the affirmative marketing principles. Affirmative marketing procedures do not apply to households that receive Housing Choice Vouchers and are seeking admission to a HOME-assisted project. The affirmative marketing procedures must describe specific steps that must be taken to ensure tenants who are unlikely to apply for housing without special outreach have equal access to housing opportunities generated by the use of HOME Program funds.

There are five elements that each Recipient's marketing procedures must include:

1. A description of how the Recipient plans to inform the public, owners, and potential tenants about Federal fair housing laws and the Recipient's affirmative marketing policy;

2. The requirements and practices that each owner of HOME-funded housing must adhere to in order to carry out the Recipient's affirmative marketing procedures and requirements;
3. A statement of procedures to be used by owners to inform and solicit applications from persons in the housing market area who are least likely to apply for the housing without special outreach;
4. A list of what records the Recipient will keep, and what records the Recipient will require owners to keep, regarding efforts made to affirmatively market HOME assisted units, and to assess the results of these actions; and
5. A description of how the Recipient will annually assess the success of affirmative marketing action(s) and what corrective actions will be taken where affirmative marketing requirements are not met.

Marketing procedures will be reviewed during the monitoring conducted by MHC. There is no submission requirement for affirmative marketing procedures in the HOME regulations. However, MHC is required to review these procedures whenever changes are made. Recipients should periodically review their affirmative marketing procedures to determine if they are still appropriate to the market, since demographic and market conditions in jurisdictions are not static. If the demographics of the market have changed significantly, the Recipient must update its affirmative marketing procedures and submit them to MHC for review.

With changing demographics in the United States, there are challenges when marketing to an eligible population that is limited English proficient (LEP). If there is an LEP population, the Recipient is encouraged to:

- Translate its marketing material to serve this population,
- Work with the language minority-owned print media, radio and television stations,
- Place marketing material at movie theaters that provide for free public service announcements,
- Partner with faith-based and community organizations that serve newly arrived immigrants, and
- Conduct marketing activities at adult-education training centers or during "English as a Second Language" classes.

CIVIL RIGHTS REGULATIONS AND REQUIREMENTS APPLICABLE TO MISSISSIPPI'S HOME INVESTMENT PARTNERSHIPS PROGRAM

Communities funded under the Mississippi HOME Investment Partnerships Program should familiarize themselves with the below civil rights regulations and/or requirements concerning Fair Housing and Equal Employment Opportunity. These issues are included in the handbook, "Mississippi Minority Business Directory." The purpose of the directory is to "enable program participants to assure that small and minority businesses are utilized, when possible, as sources of supplies, equipment, construction and services."

Included in the packet of civil rights regulations are the Fair Housing and Equal Employment Opportunity posters. Recipients are to display these posters where they will be visible around their offices and on or near job sites. Also included are the following regulations and requirements which communities are urged to familiarize themselves with:

- (1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.
- (2) Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administers all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; it takes action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services.
- (3) Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u), requires that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area; contracts for work in connection with the project should be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.

- (4) Section 109 of the Housing and Community Development Act of 1974, as amended, requires that no person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activities funded in whole or in part with community development funds made available pursuant to the Act. Section 109 further provides that any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq) or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) shall also apply to any such program or activity.
- (5) Executive Order 11063, as amended by Executive Order 12259, on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with federal assistance.
- (6) Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60), provides that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of federal or federally-assisted construction contracts. Contractors and subcontractors on federal and federally assisted construction contracts shall take affirmative action to ensure fair treatment in the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay, or other forms of compensation; and selection for training and apprenticeship.

**STATE OF MISSISSIPPI
HOME INVESTMENT PARTNERSHIPS PROGRAM
FAIR HOUSING/EQUAL OPPORTUNITY
CHECKLIST**

- FHEO posters must be posted in a general location of the Recipient's administration building. English and Spanish version should be in a **public** place and located in **plain view** to those entering and/or exiting the location.
- Recipient should have an adopted Affirmative Marketing Plan to include the process of Affirmatively Furthering Fair Housing.
- Recipient should have a procedure to encourage and use minority businesses as sources of supplies, equipment, construction, and services.
- Recipient should be able to show to what percent minorities benefit from its project and explain how benefit was obtained and give numbers and percentages to document information.
- Recipient is required to track Ethnic Beneficiary Information as indicated below.

ETHNIC BENEFICIARY INFORMATION

Complete the following table regarding the number of persons who will directly benefit from this project.

Race of Head of Household

1. White
2. Black/African American
3. Asian
4. American Indian/Alaskan Native
5. Native Hawaiian/Other Pacific Islander
6. American Indian/Alaskan Native and White
7. Asian and White
8. Black/African American & White
9. American Indian/Alaskan Native and Black/African American
10. Other Multi Racial
11. Asian/Pacific Islander
12. Hispanic

Race	1	2	3	4	5	6	7	8	9	10	11	12	Total Beneficiaries
# of Beneficiaries													

Household Characteristics

13. Female Head of Households
14. Total number of minorities
15. Number of elderly (+62)
16. Total number of handicapped
17. Number of children 18 or younger

Characteristic	13	14	15	16	17	Total Beneficiaries
# of Beneficiaries						

D. SECTION 3 REQUIREMENTS

Section 3 of the Housing and Urban Development Act of 1968 recognizes that job training; employment and contract opportunities are generated by HUD programs designed to aid housing, urban planning and community development. Section 3 is a mandate to target these economic opportunities flowing from the HUD assisted projects to lower income residents and businesses in those jurisdictions and areas where HUD is "investing" public resources.

Recipients who are recipients of federal funds are required to make good faith efforts to provide "to the greatest extent feasible" opportunities to Section 3 area residents and Section 3 business concerns.

To the Greatest Extent Feasible means that the Grant Recipients must make every effort to recruit, target, and direct economic opportunities to Section 3 residents and businesses. This generally means more than normal advertising or soliciting on the part of the grant recipient.

SECTION 3 RESPONSIBILITIES AND REQUIREMENTS

The U.S. Department of Housing and Urban Development (HUD) invests billions of federal dollars into distressed communities for urban planning, community development and projects that build and rehabilitate housing to help families achieve the American Dream. Section 3 of the Housing and Urban Development Act of 1968 recognizes that federal financial assistance can also become a tool to expand economic opportunities for low- and very low-income families and businesses of the neighborhoods and communities where HUD invests public resources.

As a recipient of federal funds, MHC shall comply with Section 3 requirements set forth at 24 CFR Part 135 of the federal regulation which states that, to the greatest extent possible, businesses and employers working on HUD-funded projects must make a good faith effort to train and employ low-income individuals (Section 3 residents) living in the local area and also to contract with businesses owned by or that employ Section 3 residents. The regulatory threshold of Section 3 applicability to HUD-assisted projects is \$200,000 for Recipients and \$100,000 for Contractors and Sub-Contractors.

Strengthening Section 3 will, therefore, make job training available to those who need it most and create a path of economic opportunity for Mississippians struggling with unemployment and low incomes.

Failure to comply with the requirements of Section 3 may result in a monitoring finding or sanctions that may include debarment, suspension of funds or limited denial of participation in HOME activities.

NUMERICAL GOALS REQUIREMENTS

Federal regulations, effective June 30, 1994, set numerical goals for the hiring/training of Section 3 residents and contracting with Section 3 business concerns on HUD-assisted projects. Good Faith Efforts by contractors and sub-contractors will aid to meet goals.

Training and Employment: Goals are based on the percentage of new hires.

- A new hire means a full-time employee for permanent, temporary or seasonal employment opportunities.
- Housing assistance: Employ Section 3 residents as 10 percent of the aggregate number of new hires for each year over the duration of the Section 3 project.
- Community development assistance: Employ Section 3 residents as 30 percent of the aggregate number of new hires for each year over the duration of the Section 3 project.

Contracts: Each contractor and subcontractor that meets the threshold requirement may demonstrate compliance with the requirements of Section 3 by committing to award Section 3 Businesses:

- At least 10 percent of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing or building trades work arising in connection with housing rehabilitation, housing construction and other public construction.
- At least 3 percent of the total dollar amount of all other Section 3 covered contracts.

TRIGGERING THE REQUIREMENTS OF SECTION 3

Section 3 is triggered when the normal completion of construction and rehabilitation projects creates the need for **new** employment, contracting, or training opportunities. The Section 3 regulations should not be construed to mean that recipients are required to hire Section 3 residents or award contracts to Section 3 businesses other than what is needed to complete covered projects/activities. If the expenditure of covered funding does not result in new employment, contracting, or training opportunities, the requirements of Section have not been triggered. However, each Recipient must still submit Section 3 annual reports indicating this information.

SUB- RECIPIENT'S REQUIREMENTS AND RESPONSIBILITIES

Each Recipient (and their covered contractors, subcontractors) are required to comply with the requirements of Section 3 for **new** employment, training, or contracting opportunities resulting from the expenditure of covered funding.

1. All Recipients must adopt a resolution adopting the Section 3 Plan as outlined within this policy guide. Both the resolution and the executed Section 3 plan must be submitted with the application for funding for the federal project in which funds are being requested.
2. All Recipients must implement procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;
3. All Recipients must notify potential contractors working on Section 3 covered projects of their responsibilities and require a written Section 3 plan from the Contractors prior to any signing of contracts; (or submit Section 3 Plan as a bidding requirement)
4. All Recipients must incorporate the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38, also provided within this policy guide];
5. All Recipients are responsible for facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;
6. All Recipients are responsible for making contractors and subcontractors comply;
7. All Recipients must refrain from entering into contracts with contractors that are in violation of Section 3 regulations;
8. Documenting actions taken to comply with Section 3; and
9. Submitting Section 3 Annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.

NOTE: A SECTION 3 AGREEMENT MUST BE NEGOTIATED AND FINALIZE BEFORE A CONTRACT IS EXECUTED.

CONTRACTOR'S REQUIREMENTS AND RESPONSIBILITIES

1. The Prime Contractor must submit a Section 3 plan to the Recipient outlining Section 3 hiring and employment opportunities.
2. Notify sub-contractors of their responsibilities under Section 3 including, but not limited to, incorporating the Section Clause in sub-contract documents. (Attachment within this policy guide)
3. Refrain from contracting with sub-contractors as to whom they have received notice or have knowledge that the sub-contractors have been found in violation of the regulations in 24 CFR Part 135.
4. Maintain records that document a **good faith effort** to utilize Section 3 area residents as trainees and employees. (Required of both contractor and sub-contractor.)

EXAMPLES OF ACTIONS DEMONSTRATING A GOOD FAITH EFFORT

Targeted recruitment of Section 3 area residents for training and employment positions by taking such steps as:

- Advertising in local media,
- Prominently placing a notice of commitments under Section 3 at the project site or other places where applications for training and employment are taken,
- Contacting local job training centers, employment service agencies and community organizations,
- Developing on-the-job training opportunities or participating in job training programs, Contacting assisted housing resident councils and resident management corporations;
- Keeping a list of Section 3 area residents who apply on their own or by referral for available positions;
- Sending to labor organizations or representatives of workers with whom the recipient, contractor or subcontractor has a collective bargaining agreement or understanding, a notice about contractual commitments under Section 3; and
- Selection of Section 3 area residents for training and employment positions.

SECTION 3 RESIDENTS AND BUSINESS CONCERNS

Section 3 residents are:

- Residents of Public and Indian Housing; or
- Individuals that reside in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and whose income do not exceed the local HUD income limits set forth for low- or very low-income households.

A Section 3 Business Concern is one of the following:

- Businesses that are 51 percent or more owned by Section 3 residents;
- Businesses whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
- Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

In accordance with the regulation, residents and businesses concerns seeking Section 3 preference shall certify, or submit evidence to the recipient, contractor, subcontractor or Recipient (if requested) verifying that they meet the definitions provided above. Recipients can use their discretion for determining the type of verification that is required by prospective Section 3 residents and business concerns. Some examples include proof of residency in a public housing authority; proof of federal subsidies for housing, food stamps, or unemployment benefits; and payroll data or other relevant business information.

TYPES OF SECTION 3 OPPORTUNITIES

- Job training
- Employment
- Contracts

Administrative/ Management

Accounting
Payroll
Research
Bookkeeping
Purchasing
Word processing

Examples include:

Services

Appliance repair
Florists
Marketing
Carpet installation
Janitorial
Photography
Catering
Landscaping
Printing
Computer/information
Manufacturing
Transportation

Construction

Architecture
Engineering
Bricklaying
Carpentry
Cement/masonry
Demolition
Drywall
Electrical
Elevator construction
Fencing
Heating
Iron works
Machine operation
Painting
Plastering
Plumbing
Surveying
Tile setting

SECTION 3 COMPLIANCE

Recipients of covered funding shall be in compliance with Section 3 if they meet the minimum numerical goals set forth at 24 CFR Part 135.30 and submit all required reporting to MHC.

Specifically:

- 30 percent of the aggregate number of new hires shall be Section 3 residents;
- 10 percent of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and
- 3 percent of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.
- Submit HUD Form 60002 as required by the designated deadlines.

Recipients that fail to meet the minimum numerical goals above bear the burden of demonstrating why it was not possible to do so.

Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will enable a compliance determination to be made. Recipients that submit Section 3 reports containing **all zeros**, without a sufficient explanation to justify their submission in the narrative section, are in **noncompliance** with the requirements of Section 3.

It is important to document efforts made to comply with Section 3. Files should contain memoranda, correspondence, advertisements, etc. illustrating attempts to meet Section 3 goals (e.g., to reach out to eligible persons regarding employment or training and/or business concerns). Documentation will show the steps taken to implement the plan, and will most likely cross-reference information in other files, such as procurement and construction contracting. The mere existence of a Section 3 Action Plan is not sufficient. Affirmative attempts to reach Section 3 goals must be made. Failure to comply with the requirements of Section 3 may result in a monitoring finding or sanction that may include: debarment, suspension of funds, or limited denial of participation in HOME activities.

SECTION 3 REPORTING

Recipients must submit the required HUD form 60002 for Section 3 reporting on open projects to MHC by July 15 each year. HUD Form 60002 will be collected when projects are monitored at completion.

WHAT SHOULD BE REPORTED ON HUD FORM-60002

Section 3 Annual Summary Reports are intended to measure each recipient's efforts to comply with the statutory and regulatory requirements of Section 3 in its own operations **AND** those of its covered Recipients, contractors, subcontractors. Each submission of HUD Form-60002 should indicate the following:

- The total dollar amount of HUD funding that was received by the recipient for covered projects/ activities during the specified reporting period.
- The total number of new employees that were hired by the recipient and/or its covered contractors, subcontractors, and Recipients, as a result of performing or completing covered project/activities.

- The number of new employees that were hired by the recipient (or its covered contractors, subcontractors, and Recipients), as a result of covered projects/activities, that met the definition of a Section 3 resident.
- The total number of man hours worked on covered projects (optional).
- The aggregate number of hours worked by Section 3 residents on covered projects (optional).
- The total number of Section 3 residents that participated in training opportunities that were made available by the recipient agency, its contractors, Recipients, or other local community resource agencies.
- The total dollar amount of construction and/or non-construction contracts (or subcontracts) that were awarded with covered funding.
- The dollar amount of the recipient's construction or non-construction contracts (or subcontracts) that were awarded to Section 3 business concerns.
- Detailed narrative descriptions of the specific actions that were taken by the recipient (or its covered contractors, subcontractors, Recipients, or others) to comply with the requirements of Section 3 and/or meet the minimum numerical goals for employment and contracting opportunities.

***Important Notes for Submitting HUD Form-60002**

- All Section 3 Summary Reports must be submitted annually. Under normal circumstances, all reports are due by July 15 of each year.
- If the recipient (or its covered contractors, subcontractors and Recipients) did not hire any new employees during the reporting period, and/or if no covered construction or non-construction contracts were awarded, the recipient must indicate this in Part III of form 60002 and certify that this information is true and accurate by penalty of law.
- **NOTE!** HUD has a narrative box at the end of the current reporting form. Describe affirmative efforts to recruit section 3 residents and businesses. Don't just report "zeros" across the board with no explanation. *Explain why if your efforts have failed.*

SECTION 3 COMPLIANCE AND THE PROCUREMENT PROCESS

All Recipients are encouraged to provide Section 3 language in all RFPs and Bid announcements. The "Section 3 Clause" is provided verbatim within this policy guide and must be included in all RFPs/bids and all Section 3 covered contracts. Additionally, all RFPs/bids must contain a requirement that the bidder indicate:

1. If it wishes to receive preference as a Section 3 business and that it agrees to provide information on how it meets the criteria;
2. How many new hires are anticipated, the job categories and approximate dates the positions will be available. (Remember, the new hires include engineers, administrative, architects, construction managers, payroll clerks, etc.) This information must be provided if the bidder is awarded the contract but may also be submitted with the bid;
3. Verification that similar information (1 and 2) will be included in all subcontracts.

4. That the bidder agrees to utilize in its procurement and employment process, the list of Section 3 businesses and residents provided by the Recipient.

5. An agreement to submit a final report with its last request for payment, unless notified that more frequent reports are required. The community must also document that it discussed Section 3 at the pre-construction conference and the pre-bidders conference if such is held. Forms to assist Recipients in complying are included in this section and will be amended as necessary.

Current Section 3 regulations state that HUD's Assistant Secretary "shall periodically conduct Section 3 compliance reviews of selected recipients and contractors ..." Thus, it is possible that HUD could directly monitor a recipient or contractor. If a Recipient is contacted by HUD for a compliance review, the grantee must notify MHC HOME staff immediately.

EXAMPLES OF EFFORTS TO OFFER TRAINING AND EMPLOYMENT OPPORTUNITIES TO SECTION 3 RESIDENTS

- Entering into "first source" hiring agreements with organizations representing Section 3 residents.
- Sponsoring a HUD-certified "Step-Up" employment and training program for Section 3 residents.
- Establishing training programs, which are consistent with the requirements of the Department of Labor, for public housing residents and other Section 3 residents in the building trades.
- Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to occupied dwelling units in public housing developments, where they exist, or where category 1 or category 2 persons (as these terms are defined in §135.34) reside. (*See Category Person definition below)
- Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of public and/or transitional housing in the neighborhood or service area of the Section 3 covered project.
- Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in public housing developments or where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.
- Sponsoring (scheduling, advertising, financing, or providing in-kind services) a job informational meeting to be conducted by a contractor representative or representatives at a location in public housing developments, areas where category 1 or category 2 persons reside, or in the neighborhood or service area of the Section 3 covered project.

- Arranging assistance in conducting job interviews and completing job applications for residents of public housing or areas where category 1 or category 2 persons reside and, in the neighborhood, or service area in which a Section 3 project is located.
- Arranging for a location in public housing developments, areas where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by the Grantee or a contractor representative or representatives.
- Consulting with State and local agencies administering training programs funded through Workforce Investment Act, Job Training Partnership Act or JOBS Act, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the contractor's training and employment positions.
- Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- Employing a job coordinator or contracting with a business concern that is licensed in the field of job placement (preferably one of the Section 3 business concerns identified in Part 135), that will undertake, on behalf of the contractor, the efforts to match eligible and qualified Section 3 residents with the training and employment positions that the contractor intends to fill.
- Where there are more qualified Section 3 residents than there are positions to be filled, maintaining a file of eligible qualified Section 3 residents for future employment positions.
- Undertaking job counseling, education and related programs in association with local educational institutions.
- Undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 residents previously hired for employment opportunities.
- After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a specific number of public housing or other Section 3 residents to be trained or employed on the Section 3 covered assistance.
- Coordinating plans and implementation of economic development (e.g., job training and preparation, business development assistance for residents) with the planning for housing and community development.
- ❖ *Category 1 Residents - Residents of the housing development or developments for which the section covered assistance is expended.
- ❖ *Category 2 Residents - Residents of other housing developments managed by the Housing Authority that is expending the section 3 covered housing assistance.

- ❖ *Category 3 Residents – Participants in HUD YouthBuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the section 3 covered assistance is expended

EXAMPLES OF EFFORTS TO AWARD CONTRACTS TO SECTION 3 BUSINESS CONCERNS

- Utilizing procurement procedures for Section 3 business concerns similar to those provided in 24 CFR Part 905 for business concerns owned by Native Americans.
- In determining the responsibility of potential contractors, considering their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
- Contacting business assistance agencies, minority contractors' associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.
- Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas or other prominent areas of public housing and/or transitional housing in the neighborhood or service area of the Section 3 covered project.
- Contacting resident councils, resident management corporations, or other resident organizations, where they exist in public housing in the area, and requesting their assistance in identifying category 1 and category 2 business concerns.
- Providing written notice to all known Section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 business concerns to respond to the bid invitations or request for proposals.
- Following up with Section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.
- Coordinating pre-bid meetings at which Section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.
- Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.
- Advising Section 3 business concerns as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
- Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns.

- Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.
- Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- Developing a list of eligible Section 3 business concerns.
- Establishing or sponsoring programs designed to assist residents of public Indian housing in the creation and development of resident-owned businesses.
- Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to Section 3 business concerns.
- Supporting businesses which provide economic opportunities to low-income persons by linking them to the support services available through the Small Business Administration (SBA), the US Department of Commerce and comparable agencies at the State and local levels.
- Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.
- Actively supporting joint ventures with Section 3 business concerns.
- Actively supporting the development or maintenance of business incubators which assist Section 3 business concerns.

SAMPLE RESOLUTION (LOCAL UNIT OF GOVERNMENT)

SECTION 3 PLAN RESOLUTION (Name of Local unit of Government)

WHEREAS the Name of city/county recipient is submitting a HOME application for possible 2021 funding from the Mississippi Home Corporation, by virtue of this submission, if awarded, the Name of city/county recipient is required by the Mississippi Home Corporation and Section 3 of the Housing and Urban Development Act of 1968 to adopt a Section 3 Plan; and

WHEREAS, the Section 3 Plan is intended to ensure, to the greatest extent feasible, that training and employment opportunities generated by the U.S. Department of Housing and Urban Development projects be given to low-income residents of the Section 3 project area and that contracts for work in connection with this project be awarded to qualified Section 3 Business Concerns.

WHEREAS, if awarded, it is the intention of the name of city/county recipient to implement its HOME project in accordance with all program regulations including the said Section 3 requirements.

NOW, THEREFORE, BE IT RESOLVED that the name of city/county recipient adopts the HOME Section 3 Plan, which is attached hereto as "Attachment A" and made a part hereof.

ADOPTED this the _____ day of _____, 2021.

Name of City/County, Mississippi

ATTEST:

CITY CLERK OR CHANCERY CLERK

BY: _____
MAYOR OR BOARD PRESIDENT

GRANTEE SECTION 3 ACTION PLAN*

The *(Insert Local Governing Body's Name or non-profit agency)* agrees to develop local procedures designed to implement the following steps to increase opportunities for training and employment for lower income residents of the Section 3 covered area *(county)* and increase the utilization of business concerns within the Section 3 covered area *(county)* or owned by Section 3 area residents.

A. To identify projected employment, training and contracting opportunities as the recipient of federal funds and to facilitate the training and employment of Section 3 residents and contracting with Section 3 businesses.

B. To recruit Section 3 residents for available opportunities through: local advertising media; posted signs; community organizations and public and private institutions operating within or serving the project area.

C. To identify eligible business concerns for federal funded contracts through the Chamber of Commerce, business associations, and local advertising media including newspapers; public signage; citizen advisory boards; and all other appropriate referral sources.

D. To maintain a list of eligible business concerns for utilization in federally funded procurements, to notify appropriate project area business concerns of pending contractual opportunities, and to make available this list for procurement needs.

E. To require all bidders on contracts to submit a written Section 3 Hiring and Business Utilization Plan and to require the contractor to submit reports to document actual accomplishments.

F. To include Section 3 information in procurement solicitations, incorporate Section 3 clauses in contractual documents, and review Section 3 information at the preconstruction conference and then monitor contractor compliance.

G. To maintain records, including copies of correspondence, memoranda, reports, contracts, etc., which document that the above action steps have been taken and any barriers encountered. To submit reports on accomplishments as required.

H. To designate a local government official to coordinate implementation of this Section 3 Plan.

I. To the extent feasible, additional affirmative steps will be taken to encourage and utilize Section 3 residents and businesses and to reach employment, training and contracting goals.

As the chief local official, I have read and fully agree to this Section 3 Action Plan and agree to actively pursue full implementation of this program.

Chief Elected Official /Executive Director - Title

Date

Sample

Section 3 Resident Certification Form

ELIGIBILITY FOR PREFERENCE

A Section 3 Resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 Resident, as defined in Section 135.5.

I _____, (Print Name) am a resident of _____ (City, County, State) and qualify as a Section 3 Resident because I am a public housing resident OR because my household income does not exceed the income guidelines by family size as published at the bottom of this form*.

Name: _____ Telephone: _____

Address: _____

FY 2015 – HOUSEHOLD INCOME GUIDELINES

Place a Check on the line that is applicable	Family Size	Low Income *
	1	
	2	
	3	
	4	
	5	
	6	
	7	
	8	

* Circle the appropriate column based on household size and income – income limits are attached and/or can be downloaded from the www.hud.gov website.

I hereby certify that the information provided by me to be true and correct and understand any falsification of any of the information could subject me to disqualification from participation and punishment under the law.

Signature

Date

Print Name

Sample

Section 3 Business Concern Certification Form

NAME OF BUSINESS: _____
ADDRESS OF BUSINESS: _____
CONTACT PERSON: _____ TITLE: _____
TELEPHONE #: _____ CELL #: _____

MUST PROVIDE EVIDENCE OF SECTION 3 STATUS PRIOR TO CONTRACT AWARD

The Bidder certifies that it is a Section 3 Business Concern based on:

___ Business is owned, at least 51% by Section 3 Residents.

- Provide copy of resident lease, evidence of participation in a public assistance program, or signed Certification for Section 3 Resident
- Provide business license number: _____

___ At least 30% of their permanent, full-time employees are currently Section 3 Residents or were Section 3 Residents within the past 3 years.

- Provide List of Full-time Employees (Form 2)
- Provide signed Certification for Section 3 Residents (Form 3)

___ Commitment to subcontract 25% of the dollar award to qualified Section 3 Business Concerns. (Only applicable for Prime Contractors)

I hereby certify that the information provided by me to be true and correct and understand falsification of any information could subject me to disqualification from participation and punishment under the law.

Owner Signature

Date

Print Name

Sample

Section 3 Business and Employment Notice

(Instructions: Publish as a display advertisement in the local paper's non-legal section or post at the local government and other Section 3 area locations.)

(Insert Locality's name) is preparing to carry out the *(insert Name of Project)* through the use of HOME Investment Partnerships Program Grant Funds. In the implementation of this project the following job types may be available:

(Insert List of Job Classifications to be used during project)

All job openings will be posted at *(local government office or list other posting locations)*. To the greatest extent feasible, employment and training positions will be made available to qualified persons who permanently reside in *(Insert the County's or local municipality name as Section 3 area)*. Persons qualified for the jobs listed should register at the following location:

(Insert Name and Address of posting locations and/or Other Locations)

Additionally, the following contracts and procurements will/may be made and to the greatest extent feasible, businesses located in and owned by persons residing in *(Insert the County's name as Section 3 area)* will be utilized:

(Insert list of construction, non-construction, and service contracts to be procured during the project. Also, insert list of construction subcontracts, major, specific equipment and general types of materials to be used during the project.)

All above-referenced procurements will be made on a competitive basis. The names of businesses who respond to this notice will be included on procurement lists for this project. Names of job seekers will be given to contractors.

Any person residing or firm located in the above-named areas may request to participate in procurement opportunities associated with this project by contacting *(Insert local contact information)* within ten (10) days of this notice.

Section 3 Clause

ALL SECTION 3 COVERED CONTRACTS SHALL INCLUDE THE FOLLOWING CLAUSE (REFERRED TO AS THE SECTION 3 CLAUSE):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

GLOSSARY OF TERMS AND DEFINITIONS

Applicant – any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing Development organization, resident management corporation, resident council, or cooperative Association.

Assistant –Assistant Secretary for Fair Housing and Equal Opportunity.

Business Concern – a business entity formed in accordance with State law, and which is licensed under State, county, or municipal law to engage in the type of business activity for which it was formed.

Contractor - any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, as described in Section 135.3 (a)(1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a)(2)), including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, (e.g., construction manager, relocation specialist, payroll clerk, etc.).

Housing and Community Development – any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, including community development funds in the form of community development block grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guarantee.

Housing Development – low-income housing owned, developed, or operated by public housing agencies in accordance with HUD’s public housing program regulations codified in 24 CFR Chapter IX.

Low-income person – Families (including single persons) whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80% of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families.

Neighborhood area – For HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances, or other local documents as a neighborhood, village, or similar geographical designation.

New Hires – Full-time employees for permanent, temporary, or seasonal employment opportunities.

Non-Metropolitan County – Any county outside of a metropolitan area.

Other HUD programs - HUD programs, other than HUD Public and Indian Housing programs, that provide housing and community development assistance for “Section 3 covered project” as defined in this section.

Public housing resident – Any individual who resides in public housing as a signatory on a public housing lease, or as a member of the family of the individual(s) who is the signatory on the public housing lease has the meaning given this term in 24 CFR part 963.

Recipient – Any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee, or transferee of any such entity, but does not include contractors and does not include any ultimate beneficiary under the HUD program to which Section 3 applies.

Section 3 – Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 Business Concern –

- 51 percent or more owned by Section 3 residents; or
- 30 percent or more of permanent, full-time employed staff are currently Section 3 residents or were Section 3 residents within three years of the date of first employment with said business concern; or
- 25 percent or more of the dollar award of all subcontracts are awarded to businesses that meet the qualifications in points 1 and 2 above.

Section 3 Covered Assistance –

- Public housing development assistance provided pursuant to Section 5 of the 1937 Act;
- Public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- Public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;

- Assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Clause – the contract provisions set forth in Section 135.38. This Section 3 Clause must be inserted into all contracts. (A sample of the contract provision is provided within this policy guide.)

Section 3 Covered Contracts – a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance or for work arising in connection with a Section 3 covered project. Note: Section 3 covered contracts do not include contracts awarded under HUD’s procurement program, which are governed by the Federal Acquisition Regulation (FAR). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

Section 3 Covered Project – the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) supported by housing or community development assistance.

Section 3 Resident –

- A public housing resident; or
- An individual who resides in the metropolitan area or nonmetropolitan County in which the Section 3 covered assistance is expended, and who is:

A low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families; or

A very low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

- A person seeking the training and employment preference provided by section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Service Area – the geographical area in which the persons benefitting from the Section 3 covered project reside. The service area shall not extend beyond the unit of general local government in which the Section 3 covered assistance is expended.

Subcontractor – any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance or arising in connection with a Section 3 covered project.

Very low-income person – families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary [of HUD] with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

All Recipients must complete, sign, and submit annually Section 3 Form #60002 for each open grant. These forms must be submitted to MHC by July 15 covering reporting period of July 1 – June 30.

E. E-VERIFY

According to Senate Bill 2988, all employers shall meet verification requirements of E-Verify. The authority for collecting this information is the Immigration Reform and Control Act of 1986, Pub. L. 99-603 98 USC 1324a). It is the responsibility of employers to verify the eligibility of individuals for employment to preclude the unlawful hiring, or recruiting or referring for a fee, of aliens who are not authorized to work in the United States.

The purpose of the I-9 form is to document that each new employee hired after November 6, 1986, is authorized to work in the United States. All employees (citizens and noncitizens) hired after November 6, 1986, and working in the United States must complete this form.

This information will be used by employers as a record of their basis for determining eligibility of an employee to work in the United States. The form will be kept by the employer and made available for inspection by authorized officials of the Department of Homeland Security, Department of Labor, and Office of Special Counsel for Immigration-Related Unfair Employment Practices.

Submission of the information required in this form is voluntary. However, an individual may not begin employment unless this form is completed, since employers are subject to civil or criminal penalties if they do not comply with the Immigration Reform and Control Act of 1986.

Form I-9 must be retained by the employer and made available for inspection by U.S. Government officials as in the Privacy Act Notice.

As a party to receiving federal funds, the Recipient, administrator, inspectors, contractors, and sub-contractors are responsible for certifying compliance with E-Verify. A certification form is provided on page 151 and must be signed and maintained on file with the Recipient.

E-Verify Certification

Certification is hereby made by _____ that indicates compliance with the Immigration Reform and Control Act of 1986 and Mississippi Employment Protection Act. For all employees (both citizens and noncitizens) hired after November 6, 1986, Form I-9 has been completed and is on file at the following location:

I-9 forms must be retained by the employer and made available for review by authorized officials of the Department of Homeland Security, Department of Labor, and Office of Special Counsel for Immigration-Related Unfair Employment Practices.

Home Investment Partnerships Program (HOME) funds were used to pay for services rendered or work performed thereby requiring enforcement of Senate Bill 2988 related to E-Verify that is mandated as of July 1, 2011, for all employers.

I hereby certify by signing below that the entity in which I represent is in compliance with the requirements of E-Verify and records will be made available when requested.

Name	Title
-------------	--------------

Date and Telephone Number

APPENDIX

MISSISSIPPI HOME CORPORATION
735 Riverside Drive
Jackson, Mississippi 39202

Change Order # _____

Project Name/Contract # _____ Homeowner's Name: _____

Property Address: _____

Name of Contractor: _____

The following change(s) is/are authorized to the above identified Rehabilitation Contract:

Item	Original Cost	Description of Change	Increase/Decrease Cost	Reason for Change
TOTAL				

Initial Contract Amount \$ _____

Plus or Minus Previously Approved Change Orders \$ _____

Plus or Minus Change Order Requested \$ _____

Total New Contract Amount \$ _____

Prepared by: _____

Project Administrator

Date

Signed: _____

Homeowner

Date

Contractor

Date

MHC Rehabilitation Inspector

Date

Chief Elected Official

Date

Approved: _____

HOME Rehabilitation Officer

Date

MISSISSIPPI HOME CORPORATION
735 Riverside Drive
Jackson, Mississippi 39202

BUILDER'S WARRANTY

For good and valuable consideration, the undersigned Warrantor hereby warrants to the Owners identified above and to the successors or transferees, all of whom are hereinafter referred to as Owners that:

The building, including appurtenances located on the property identified above, is constructed or improved in substantial conformity with the drawings and specifications which have been accepted in writing by the homeowner. This warranty applies to all workmanship, materials, and the installation of equipment (including, but not limited to, the heating system, water heater, ranges and refrigerator).

The Owners shall give written notice to the Warrantor promptly after the discovery of any defective condition. Such written notice must be given to the Warrantor during the period of warranty. The period of warranty shall be one year from the date of final inspection of the reconstructed/rehabilitated unit.

It is agreed and understood that this warranty shall apply only to those defective conditions of which the Warrantor has been given written notice during the period of warranty.

Warrantor further agrees that warrantor will take any necessary actions to correct such defective conditions within days of receipt of written notice. If such action is not taken within days, the Owner must contact the Chief Elected Official.

If this warranty is signed by anyone other than the Warrantor, the person signing for the Warrantor represents and certifies that the person is authorized to execute same by the Warrantor and by the person's signature the Warrantor is bound under the terms and conditions of this Warranty.

NOTES:

- A. The Warrantor must complete three (3) copies except dates, meet with the owner to agree on notification period, sign and give to the Owner when final inspection is conducted. Owner must retain original, one to the contractor, one to the Chief Elected Official, and a copy to Mississippi Home Corporation with the final request for payment.
- B. This warranty shall be required in all cases involving reconstruction or rehabilitation. In addition to the preceding warranty, the following items are covered by a company warranty or guarantee as follows:

Item	Serial & Model Number	Company Name & Address	Number of Years/Months of Warranty
Heating System			
Kitchen Range			
Water Heater			
Refrigerator			
Washer			
Dryer			
Other			

NOTICE TO OWNERS: Any notice of defective Workmanship, materials or nonconformity must be delivered to the warrantor no later than _____. (Warrantor shall insert date one (1) year from date of final inspection.)

We have furnished the above company warranties or guarantees to the Owners for their use. If this warranty covers a manufactured home, we certify that that manufactured home property substantially complies with the plans and specification and the manufactured home sustained no hidden damage during transportation and, if manufactured in separate sections, that the sections were properly joined and scaled according to the manufacturer's specifications.

The Warrantor has signed this warranty this _____ day of _____, _____.

Warrantor' Name

Warrantor's Address

City/State/Zip Code

Warrantor Signature & Title

Receipt of this warranty is acknowledged this _____ day of _____, _____.

Homeowner(s) Name

Homeowner(s) Address

City/State/Zip Code

Homeowner(s) Signature

**MISSISSIPPI HOME CORPORATION
735 Riverside Drive
Jackson, Mississippi 39202**

NOTICE OF EXPIRATION OF BUILDER'S FIRST YEAR OF WARRANTY

Dear _____ :

Our records indicate that the 1-year Builder's Warranty signed by _____ for your home expires on _____.

If you have noticed any defects of workmanship or materials which have not already been corrected and are the responsibility of the contractor, you should immediately notify the contractor in writing and send a copy of the letter to the Mayor/Board President. Do not include items of maintenance which are your responsibility.

If the deficiencies noted are not corrected, please notify the Mayor/Board President so that arrangements can be made to have the deficiencies corrected.

Sincerely,

(Elected Official)

cc: Contractor
Administrator
MHC

MISSISSIPPI HOME CORPORATION
735 Riverside Drive
Jackson, Mississippi 39202

HOMEOWNER ACCEPTANCE CERTIFICATION

Project Name: _____

Homeowner Name: _____

Address: _____

The undersigned hereby accepts the housing unit located at the above address as complete. As required under the HOME Investment Partnerships Program the Project Administrator and the contractor has explained all warranties to me.

OWNER'S SIGNATURE: _____ **DATE** _____

OWNER'S SIGNATURE: _____ **DATE** _____

CONTRACTOR'S SIGNATURE: _____ **DATE** _____

PROJECT ADMINISTRATOR: _____ **DATE** _____

**Mississippi Home Corporation
Recipient's Closeout Checklist
Close-Out Package Review**

Recipient: _____ Contract# _____

In compliance with the requirements of the MHC Recipient Close-out procedure and the terms and conditions of the contract, the following close-out documents are enclosed: (Check the appropriate boxes concerning each of the closeout documents. Explain fully any items not submitted or any item to be sent separately. Use separate sheet, if necessary.)

Type of Document	Enclosed	Not Applicable	Sending Separately	Unable to Furnish
1. Certification of Completion				
2. Funding Sources Summary Report				
3. Recipient Performance Certification Report				
4. Agreement Relative to Closeout				
5. Outstanding Claimant's List				
6. Inventory and Program Income				
7. Final Request for Cash Consolidated Support Sheet				
8. Refund Check				
9. Other (Specify)				

Explanation/Comments:

Project Accomplishment(s):

Date

Signature/Title

Comments:

Grant Recipient Funding Sources

Recipient: 0

Contract #: 0

Program : Home Investment Partnerships Program - (HOME) 14.239

Administration

1. HOME Funds			
2. Section 108 Loan Guarantee			
3. Other Consolidated Plan Funds	HOME		
	ESG		
	HOPWA		\$ -
4. Appalachian Regional Commission			
5. Other Federal Funds			
6. State/Locals Funds			
7. Private Funds			
8. Other			

Total		\$	-
-------	--	----	---

Rehabilitation

1. HOME Funds			
2. Section 108 Loan Guarantee			
3. Other Consolidated Plan Funds	HOME		
	ESG		
	HOPWA		\$ -
4. Appalachian Regional Commission			
5. Other Federal Funds			
6. State/Locals Funds			
7. Private Funds			
8. Other			

Total		\$	-
-------	--	----	---

Select Activity Type

1. HOME Funds			
2. Section 108 Loan Guarantee			
3. Other Consolidated Plan Funds	HOME		
	ESG		
	HOPWA		\$ -
4. Appalachian Regional Commission			
5. Other Federal Funds			
6. State/Locals Funds			
7. Private Funds			
8. Other			

Total		\$	-
-------	--	----	---

Grand Totals by Funding Sources

1. HOME Funds			\$ -
2. Section 108 Loan Guarantee			\$ -
3. Other Consolidated Plan Funds	HOME	\$ -	
	ESG	\$ -	
	HOPWA	\$ -	\$ -
4. Appalachian Regional Commission			\$ -
5. Other Federal Funds			\$ -
6. State/Locals Funds			\$ -
7. Private Funds			\$ -
8. Other			\$ -

Grand Total		\$	-
-------------	--	----	---

**Mississippi Home Corporation
Recipient Performance Certification Report**

Recipient: _____
Contract # _____

Activity Type(s)	Rehabilitation		Select Activity Type		Totals	
	Planned	Actual	Planned	Actual	Planned	Actual
Very Low Income						
Low/Moderate Income						
Total Low/Mod Income	0	0	0	0	0	0
% of Low/Mod Income	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Non - Low/Moderate Income						
Total Beneficiaries	0	0	0	0	0	0
Ethnic Background	Total	Hispanic	Total	Hispanic	Total	Hispanic
1. White						
2. Black						
3. Asian						
4. American Indian/Alaskan Native						
5. Native Hawaiian/Other Pacific Island						
6. American Indian/Alaskan Native & White						
7. Asian and White						
8. Black/African American & White						
9. Amer Indian/Alaskan/Black African Amer						
10. Other Multi-Racial						
Totals	0	0	0	0	0	0

Objective (Please select one)

- 1 Create Suitable living environments _____
- 2 Provide decent affordable housing _____
- 3 Create economic opportunities _____

Census or Survey _____

Outcome (Please select one)

- 1 Availability/Accessibility _____
- 2 Affordability _____
- 3 Sustainability _____

Total Served _____

Number of Households Served _____

Number of Female Head of Household Served _____

Number of Elderly Beneficiaries (+62) _____

Number of Handicapped Beneficiaries _____

County Code	Census Tract	Block Groups

Total Served _____

Now have new access to this type of public facility or infrastructure improvement: _____

Now have improved access to this type of public facility or infrastructure improvement: _____

That are served by public facility or infrastructure that is to longer substandard: _____

Agreement Relative to Closeout of HOME Grant Programs

RECIPIENT: _____ 0 CONTRACT #: _____ 0

This Agreement is between _____ 0 ("Recipient")
and the Mississippi Home Corporation. ("Corporation")

Closeouts/Audits

The parties to this Agreement desire to closeout Recipient's HOME Grant
contract number _____ 0 (the "Grant").

Because of regulatory and legislative changes, it is no longer required for a final audit of an individual grant at closeout.

Rather than waiting for Recipient's next periodic audit, the parties desire to closeout the Grant subject to subsequent audit(s).

THEREFORE, in consideration of the mutual promises contained herein, the parties to this Agreement agree as follows:

1. The Corporation waives the requirement in 24 CFR Subsection 570.512 of the submission of any required audits and/or subsequent audit of the Grant prior to closeout.
2. Recipient will submit to the Corporation its required audits or subsequent audit which it shall comply with federal and state requirements and which shall cover all periods in which any grant costs have been incurred.
3. Recipient shall remit to the Corporation the amount of any ineligible costs that are disallowed by any required audits and/or subsequent audit(s) which disallowances are identified by the Federal and/or State Agency(ies).
4. The Agreement contained herein are in addition to any other agreements between the parties relative to the closeout of the grant. Recipient agrees to abide by all governing laws and regulations.

Certificate of Completion

I hereby certify that all activities undertaken by the Recipient with funds provided under the grant agreement, hereof, have, to the best of any knowledge, been carried out in accordance with the grant agreement; that proper provision has been made by the Recipient for the payment of all unpaid costs and unsettled third-party claims identified, hereof; that the United States of America or the State of Mississippi is under no obligation to make any further payment to the Recipient under the grant agreement, hereof; and that every statement and amount set forth in this instrument is, to the best of my knowledge, true and correct as of this date.

Recipient Performance Certification Report

I hereby certify that all planned and actual beneficiaries, the ethic beneficiaries information, census information and the performance measures are correct as stated on the Recipient Performance Certification Report are to the best of my knowledge, true and correct as of this date.

CERTIFICATE OF RECIPIENT'S COMPLIANCE

Release

Pursuant to the terms of said contract and in consideration of the sum of \$ _____ - (Total Amount

Paid & Payable by MHC), upon payment of the said sum does remise, release, and discharge MHC, its officers, agents, and employees, of and from all liabilities, obligations, claims, and demands whatsoever under or arising from the said contract, except the following:

- a. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor, as follows:

(If none, so state)

b.

Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Contractor to third parties arising out of the performance of the said contract, which are not known to the Contractor on the date of execution of this release and of which the Contractor gives notice in writing to the MHC within the period specified in the said contract.

c. Claims, after closeout, for costs which result from the liability to pay Unemployment Insurance costs under a reimbursement system or to settle Worker's Compensation claims.

Assignment of Refunds, Rebates and Credits

Pursuant to the terms of said contract and in consideration of the reimbursement of costs and payment of fees as provided in the said contract and any assignment thereunder, the Contractor hereby does the following:

- a. Assign, transfer, set over and release to MHC all right, title and interest to all refunds, rebates, credits or other amounts (including any interest thereon) arising or which may hereafter accrue thereunder.
- b. Agree to take whatever action may be necessary to effect prompt collection of all such refunds, rebates, credits or other amounts (including interest thereon due or which may become due, and to forward promptly to MHC for any proceeds so collected. The reasonable costs of any such action to effect collection shall constitute allowable costs when approved by the MHC as stated in the said contract and may be applied to reduce any amount otherwise payable to MHC under the terms hereof.
- c. Agree to cooperate fully with MHC as to any claim or suit in connection with such refunds, rebates, credits or other amounts due (including any interest thereon); to execute any protest, pleading, application, power of attorney or other papers in connection therewith; and to permit MHC or the Federal Grant of Agency to represent it at any hearing, trial or other proceeding arising out of such claim or suit.

Inventory Certification (Select One)

- a. _____ The Contractor hereby certifies that all items of materials and equipment purchased, furnished, or transferred for or to said Contractor were done so in accordance with the terms and conditions of said contract.
- b. _____ The Contractor hereby certifies that no equipment was furnished or acquired under the terms and conditions of said contract

General Statement of Compliance

I certify that all the Federal, State and Local requirements of the said contract have been complied with.

Outstanding Claimants List

I hereby certify that the information as stated in the Outstanding Claimants List page is to the best of my knowledge, true and correct.

Inventory and Program Income

I hereby certify that the information as stated in the Inventory and Program Income page is to the best of my knowledge, true and correct.

Final Request for Cash Consolidated Support Sheet

I hereby certify that the information as stated on the enclosed in the Final Request for Cash Consolidated Support Sheet is to the best of my knowledge, true and correct.

This Agreement is executed by the Parties on the date indicated by their respective signatures.

IN WITNESS THEREOF, THIS Agreement and Certification of Contract Compliance has been executed
this day of _____.

0

WITNESSED BY:

BY SIGNATORY OFFICIAL

1. _____

TITLE

2. _____

DATE

**MISSISSIPPI HOME CORPORATION
PROGRAMS**

FEDERAL

BY SIGNATORY OFFICIAL

TITLE

DATE

