

**Request for Proposals and Qualifications
& Guide to Requesting Funding and Substantial
Amendment to the 2020/2021/2022 Action Plans for
Reprogrammed
CDBG and HOME Partnership Program**

Prepared by Housing and Community Development Department

06.27.2023

Reprogrammed Funding for CDBG/HOME Partnership GRANTS SCHEDULE

June 26, 2023	Publish Notice of Funding Availability and on the Housing and Community Development Department Website.
June 26, 2023	Published Notice of Funding Availability and advertisement of workshops and public hearing dates in the Kansas City Star, The Call, Dos Mundos, NORTHEAST NEWS
July 10, 2023	Workshop #1/Public Hearing for potential applicants at 10:00 am https://us06web.zoom.us/j/89102158768?pwd=d1BhSUE4YVV6SFU2dkY5T2pLUGM2UT09 Meeting ID:
July 11, 2023	Workshop #2/Public Hearing for potential applicants at 6:00 pm East Patrol Police Department, 2640 Prospect, Kansas City, Missouri 64127
July 31, 2023	Reprogrammed CDBG/HOME Plan administratively adopted following day review period.
July 31, 2023	All funding requests due to the Housing and Community Development Department, 414 E. 12th Street, Kansas City, Missouri 64106 at 4:00 pm.
August 10, 2022 (tentative)	Funding requests reviewed by staff and recommendations completed.
August 11, 2022 (tentative)	Submittal of recommendations to the City Manager and Director of Housing and Community Development, Committee Chairman, City Hall, 414 E. 12th Street, 26th Floor, Kansas City, Missouri
August 18, 2023	Amendment to the Plan is administratively adopted following the 45-day notice requirement.
August 21, 2022 (tentative)	CDBG/HOME Reprogrammed Substantial Amendment recommendations submitted to City Council Special Committee on Housing Policy. Public testimony taken. City Council Chamber, City Hall, 26th Floor at 4:00 pm.
August 22, 2023 (tentative)	2021 Action Plan Amendment and recommendations approved by the Full City Council, City Council Chamber, City Hall, 26th Floor, at 3:00 pm.

Questions regarding this schedule should be directed to Sarah Cecil of the Housing and Community Development Department at (816) 513-3036.

TABLE OF CONTENTS

Meeting and Approval Schedule

I. What Is the Five-Year Consolidated Plan.....	.5
II. 2023 Annual Action Plan6
III. Resident Participation Process.....	7
IV. Fair Housing Rule	10
V. Notice of Availability of Funds.....	10
VI. Request for Proposal (RFP) Process.....	12
VII. Application Instructions.....	12
VIII. Other CDBG and HOME Requirements.....	14
IX. If Your Project Is Funded.....	14
Appendix A – Housing, Community & Fair Housing Policies, Goals and Objectives.....	15
Appendix B – CDBG/HOME Funding Packet (non-Public Service)	
• CDBG/HOME Funding Proposal Instructions.....	20
• CDBG/HOME Funding Request Proposal (Application)	25
• Schedule C – Program Operating Budget (non public service).....	27
• Schedule D – Project/Program Budget.....	28
Appendix C – Reference Materials	
• Priority Areas map.....	30
• Evaluation of Agency Financial Condition and Governance Practices (Form).....	31
• HOME/CDBG Income Limits.....	34
Appendix D – Environmental Review.....	35
• Overview of the Environmental Review Process.....	36
• The Environmental Review Process.....	37
• The Heart of the Review Process.....	41
• Categorical Exclusion Approval Process.....	42
• Environmental Assessment Approval Process.....	42
• Environmental Checklist.....	45

Appendix E – Section 3 Requirements

- What is Section 3 and Why is It Important..... 50
- What is the Section 3 Hiring Policy..... 51
- Section 3 Requirements for Applicable Action Plan Projects.....52

Appendix F – MBE/WBE & Construction Employment Program.....62

Guide to Requesting Funding Amendment to the 2021/2022/2023 Action Plan and Reprogrammed CDBG/HOME Partnership Program

The APPLICATION DEADLINE IS AS FOLLOWS:

**MONDAY, JULY 31, 2023 AT 4:00 PM
CDBG/HOME REPROGRAMMED FUNDING**

I. THE FIVE-YEAR CONSOLIDATED PLAN & PROPOSED GOALS AND OBJECTIVES

Overview:

The *Five-Year Consolidated Plan (Consolidated Plan)* is a document which assesses needs, sets goals and objectives, and allocates funds from Federal sources for housing and community development purposes over a five-year planning period. The planning process for allocating these Federal funds is mandated by the U.S. Department of Housing and Urban Development (HUD). This *Citizen Participation Plan & Application Guide* provides information for applicants for the use of Community Development Block Grant (CDBG), Emergency Solutions Grant (ESGP), HOME Investment Partnerships Grant (HOME), Housing Opportunities for Persons with AIDS Grant (HOPWA), and other public resources for a range of housing and community improvement activities in Kansas City.

The *Consolidated Plan* provides an overall strategy for the use of federal and local resources to address its housing, community and special needs objectives. Appendix A describes the plan's proposed policy and goal setting approach according to the following directives:

- Incorporates the City Council's Housing and Healthy Communities goal, as stated in the 2020 – 2024 Citywide Business Plan:
 - ***To support the development, maintenance, and revitalization of sustainable, stable, and healthy communities through equitable policies and programs aimed at improving housing, neighborhoods, and health care services in all areas throughout the City.***

As described in Section IV of this document, “merge” the City's goals, strategies and objectives developed in the Affirmatively Furthering Fair Housing Report into the *Consolidated Plan*. The report is available for review on the Housing and Community Development Department webpage.

<https://www.kcmo.gov/city-hall/housing/hud-rfp-and-applications>

Please review the existing AFFH Goals. Once the new Assessment of Fair Housing is completed and approved, these goals will be included in our 2022-2026 Five Year Consolidated Plan and the new report will be posted for your review.

II. ONE-YEAR ACTION PLAN

The City receives Community Development Block Grant (CDBG) and HOME Investment Partnerships Grant (HOME) on an annual basis. The amount of each grant is determined by the total dollars appropriated by Congress for the fiscal year and entitlement cities and states receive an allocation based on a formula basis. These funds are allocated by the City to private non-profit community development corporations, community-based organizations and agencies, internal City departments, and private for-profit corporations for activities that generally benefit low- and moderate- income areas or low and moderate-income persons.

- A. Without exception, all CDBG program activities must meet at least one of the national objectives of the CDBG program, which are: 1) principally benefit low- and moderate-income persons who earn at or below 80% of the area median income; 2) aid in the prevention or elimination of slums or blight; or 3) activities that meet needs having a particular urgency.

In addition, a project must also be an eligible activity under the Federal regulations of the CDBG program. These activities include, but are not limited to, acquisition of property, relocation of occupants of property acquired, rehabilitation and preservation of property, homeownership, construction or rehabilitation of public facilities, demolition and clearance, code enforcement in target areas, provision of public services, economic development, removal of architectural barriers, and historic preservation.

- B. HOME funds may be used to assist very low to moderate-income home buyers and homeowners and for development of rental housing which is affordable to low and moderate income persons.

Each of these programs has specific regulations which the City must follow in the expenditure of the funds. The basic overall objective of the Federal funds is to benefit low- and moderate-income persons, which are those households with an income of 80% or less of the area median income. The total funds available are all budgeted at the same time in order to achieve the maximum efficiency and flexibility.

This Guide describes projects and target areas; provides the required application forms for proposals from private organizations which are eligible to receive funds as subrecipients, contractors or developers. **Application workshops are held to explain the application process and required forms, and to assist organizations planning to apply for funding. Once application is accepted there will be a quiet period until recommendation from staff are submitted to Council.**

Access to Records

The City will provide citizens, public agencies, and other interested parties with reasonable, timely access to information and records relating to the City's use of assistance under the programs covered by the Substantial Amendment to the 2020 through 2022 Action Plan.

The City will continue to accept and respond to any written comments throughout the year. Complaints will be investigated and responses will be made within 15 working days after a complaint is received. All concerns are filed in the Housing and Community Development Department's records and made a part of the Consolidated Annual Performance and Evaluation Report (CAPER).

Technical Assistance

The City will provide an appropriate level of technical assistance to groups representing persons of low and moderate-income that request such assistance in developing proposals for funding assistance under any of the programs.

Substantial Change Process and Amendments

The City of Kansas City presents the following policy regarding formal amendments to its Consolidated Plan. The Consolidated Plan will be amended, formally, upon the occurrence of one of the following:

- A. A Consolidated Plan activity described in the Consolidated Plan, as amended, is cancelled; or an activity not previously described in the Consolidated Plan, as amended, is added; or
- B. There is a substantial change to the current Consolidated Plan, as amended. *Substantial* change is defined as:
 1. A change in Consolidated Plan priorities;
 2. A change in a program/project description of such a degree that it may be reasonably concluded that a significant change in projected program purpose, scope, location, fund allocation or intended beneficiaries would ensue; or
 3. The amount to be expended, for an existing activity with an allocation of CDBG or HOME funds is in excess of \$300,000 or is proposed to be changed by more than 30%.

Changes to the Plan not reaching the level of formal amendment will be treated through existing City review and approval process. These informal changes will be included in the annual performance report to HUD and the public for the subject Consolidated Plan year.

III. Public Comments

Applicants and residents are encouraged to attend and participate in City Council committee meeting, online meetings/workshops and provide Public Comments by email. Neighborhood organizations and Community Development Corporations (CDC) will be notified of the Substantial Amendment and the Request for Proposals through email. Two possible ways for you to become involved in the development of the Substantial Amendment to the **2020/2021/2022 Action Plan and** Reprogrammed funding for CDBG/HOME Partnership Program include:

- Providing written input through completion of Resident Input Sheets which will be available by calling or emailing the Housing and Community Development Department at housing@kcmo.org; or
- Participation through on-line meetings or workshops, as well as through the City Council meeting, as indicated on the schedule.

The public information and hearing schedule for the Substantial Amendment to the 2020/2021/2022 Action Plan is provided on page 1. **A public notice detailing the dates, times, and locations of public meetings will be placed on the department's web page,**

Comments and responses will be included in the final Substantial Amendment Action Plans. Direct comments made during the City Council Committee public hearings will also be included. All Public Comments can be sent to HCDD in writing by email.

PLEASE CHECK OUR WEBSITE FOR ALL DOCUMENTS OR EMAIL HOUSING TO REQUEST A MAILED COPY OF THE RESIDENT PARTICIPATION PLAN AND HOUSING@KCMO.ORG

Notices for Community Outreach

The City will publish its Public Notices for the Substantial Amendment to the Action Plans information on the Housing and Community Development Department's website.

Meeting the Special Needs of Non-English Speaking Residents

The City will publish its Public Notices and a summary of the of the Substantial Amendment to Action Plans in the *Dos Mundos* newspaper for Spanish speaking residents.

Meeting the Special Needs of Persons with Disabilities

The City will also include the following language in all notices, flyers, and releases to accommodate persons with disabilities:

"Any person with a disability desiring reasonable accommodations to participate in this meeting may contact the 311 Action Center at 311 or (816) 513-1313 or for TTY 513-1889 or by email at actioncenter@kcmo.org."

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- B. There is a substantial change to the current Consolidated Plan, as amended. *Substantial* change is defined as:
 - 1. A change in Consolidated Plan priorities;
 - 2. A change in a program/project description of such a degree that it may be reasonably concluded that a significant change in projected program purpose, scope, location, fund allocation or intended beneficiaries would ensue; or
 - 3. The amount to be expended, for an existing activity with an allocation of CDBG or HOME funds is in excess of \$300,000 or is proposed to be changed by more than 30%.

Changes to the Plan not reaching the level of formal amendment will be treated through existing City review and approval process. These informal changes will be included in the annual performance report to HUD and the public for the subject Consolidated Plan year.

IV. AFFIRMATIVELY FURTHERING FAIR HOUSING RULE

The Fair Housing rule requires fair housing planning and describes the required elements of the fair housing planning process. The first step in the planning process was completing the fair housing analysis required in the Fair Housing Report. The Fair Housing Report can be viewed or downloaded on the neighborhoods and housing plans and reports web page <https://www.kcmo.gov/city-hall/housing/hud-rfp-and-applications> .The rule establishes specific requirements program participants will follow for developing and submitting an Fair Housing Report and for incorporating and implementing that Report into the subsequent Consolidated Plan. This process will help to connect housing and community development policy and investment planning with meaningful actions that affirmatively further fair housing. The new approach put in place by this fair housing planning processes provides data and greater clarity to the steps that program participants must take to assess fair housing issues and contributing factors, set fair housing priorities and goals to overcome them, and, ultimately, take meaningful actions to affirmatively further fair housing. Applications submitted which address and implement stated new goals will be considered for increased scoring toward final recommendations.

V. NOTICE OF AVAILABILITY OF FUNDS

Notice is hereby given that the City of Kansas City, Missouri is providing funding under the Reprogrammed Funding for Community Development Block Grant (CDBG) and HOME Partnership Program. The following grant are estimates of the funding to be funded and approved by the City of Kansas City, Missouri and the Department of Housing and Urban Development (HUD). CDBG and HOME funds will also be available for housing and community development proposals:

Reprogrammed CDBG	\$1,000,000.00
Reprogrammed HOME Partnership Program	\$1,500,000.00

Applications for housing development will be reviewed and, if recommended, the City may issue a conditional commitment with the understanding that an actual contract could not be executed until HUD approves the amendments to the appropriate plans and all environmental regulations are met.

Applicants are encouraged to ask questions about required material that they do not understand in order to submit the best and most complete application possible. Agencies are also encouraged to review the City's Five-Year Consolidated Plan 2022-2026 **before attending a meeting** to determine whether their proposal is consistent with the City's community development plans. The Consolidated Plan can be found on the City's website <https://www.kcmo.gov/city-hall/housing/hud-rfp-and-applications>

VI. SUMMARY OF THE REQUEST FOR PROPSAL (RFP) PROCESS

- A. Priority - Creation of Affordable Housing with Fair Housing Goals;**
Priorities for CDBG and HOME will be the production, preservation and stabilization of affordable single/multi-family housing, special needs housing, housing counseling, blight elimination and economic development.

Submitted proposals are final and may not be amended or substituted, unless the amendment has been requested or permitted by the City. The City, at its sole discretion, reserves the right to contact an applicant for additional information which may be necessary for the review process. **The City reserves the right to determine the appropriate amount of funding and the type of funding for each application.**

All responses will be reviewed, evaluated and ranked by a committee. Committees consisting of Housing and Community Development Department staff will review and rank the CDBG/HOME applications.

It is the responsibility of each review committee to ensure that a proposal contains all the information and documents required to verify that it is appropriate for the grant funding requested. This committee evaluates the content of the proposals and determines:

- Eligibility of the Proposal; Priorities will be considered based on the needs of the most vulnerable populations and neighborhood stabilization; persons with disability, seniors, and low-income populations with special needs;
- The proposed proposal appropriately addresses the identified needs;
- The proposed project complies with existing state, county and City laws, ordinances, regulations and policies*;
- Feasibility and timely implementation of the project; Projects with existing tax credit allocations or capital stacks already in place will be considered a priority
- Cost estimates appear to be accurate and Financial Feasibility of the Proposal

*project submissions that addresses goals enumerated in the **Fair Housing Report** will be weighted *more* favorably than projects that do not take goals into consideration. The AFFH report can be accessed on the neighborhoods and housing web page <https://www.kcmo.gov/city-hall/housing/hud-rfp-and-applications>

If a proposal is determined to be ineligible, the Applicant is informed and the proposal is withdrawn from consideration. In cases where there is uncertainty as to the proposal's eligibility, the City's HUD representative will be consulted for a final decision.

The evaluation criteria to be used by the various review committees can be found in the following appendices.

VII. APPLICATION INSTRUCTIONS

CDBG DEADLINE

All CDBG/HOME application materials must be received at the Housing and Community Development Department reception at 414 E. 12th Street, 24th Floor, Kansas City, Missouri **on Monday, July 31, 2023 at 4:00 pm in order to be considered valid. PROPOSALS RECEIVED AFTER THIS TIME WILL NOT BE ACCEPTED.**

SUBMISSION REQUIREMENTS

1. Submit the following number of applications for each funding request to the above address:
 - CDBG - one (1) Original plus four (4) copies
2. Use a separate application for each project or activity for which funding is being sought.
3. Keep responses to questions as brief and concise as possible.
4. Make sure each copy has all the requested items.
5. If you do not have an Exhibit, explain why and put the explanation under the Exhibit page.
6. **ONLY BIND APPLICATIONS. Secure each copy with an ACCO clip (or equivalent).**

VIII. OTHER CDBG REQUIREMENTS

Minority and Women's Business Enterprises (MBE/WBE)

The City is committed to ensuring that minority and women's business enterprises participate to the maximum extent possible in the performance of City contracts. If an applicant is requesting funding for a construction related project exceeding \$300,000, the applicant must submit an approved contractor utilization plan before entering into a contact with the City.

Section 3

The purpose of Section 3 is to ensure that the employment and other economic opportunities generated as a result of a HUD-assisted project 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 housing assistance. The requirements of Section 3 apply to recipients of CDBG funds that invest \$200,000 or more into a project involving housing construction, rehabilitation or other public construction. Agencies will be required to submit an approved Section 3 Plan prior to entering into a contract with the City.

Labor Standards

Labor standards, including Davis-Bacon Act requirements, apply to any construction, rehabilitation, alteration, or repair, including painting, flooring, and decoration, in an amount of \$2,000 or more, any part of which is Federal money. However, Davis-Bacon does not apply to the rehabilitation or construction of residential structures containing less than 8 units (CDBG funds) or less than 12 units (HOME funds). These standards include:

- Paying workers the prevailing Federal wages and fringe benefits effective at the time the job is contracted.
- Paying workers weekly and submitting certified payrolls weekly in the prescribed format.
- Interviewing workers on the job site regarding appropriate job classification and wages and benefits received.
- Maintaining all records for a minimum of five (5) years after the completion of the project.

The prevailing wage provisions do not apply to volunteers who receive no compensation and are not otherwise employed at any time in the construction work. The provisions also do not apply to members of a family providing labor in exchange for acquisition of a property for homeownership or in lieu of, or as a supplement to, rent payments.

Environmental Review

The environmental effects of each CDBG or HOME funded activity must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA).

The City's Environmental Review Officer, housed in the Housing and Community Development Department, is responsible for carrying out the review process and determining whether activities are compliant with NEPA and related laws and authorities. During this period, no choice-limiting actions can be undertaken by the applicant until the Environmental Review has been approved by HUD and the Release of Funds obtained. Choice limiting actions include real property acquisition, demolition, site clearance, repair, rehabilitation or construction. In addition, no contract for financial assistance will be executed until the environmental review has been completed. To help expedite the review process, a completed Environmental Checklist (see Appendix G) must be submitted for each Non-Public Service proposal as Exhibit E.

Note: Once an application has been submitted for a project that anticipates the use of HUD funding, neither HUD funds, nor non-HUD funds can be committed to that project until the environmental review has been approved by HUD, and the Release of Funds obtained. No choice limiting action can be taken until the environmental review is approved (24 CFR 58.22) and Release of Funds obtained. Choice limiting actions include real property ACQUISITION, DEMOLITION, SITE CLEARANCE, REPAIR, REHABILITATION, CONSTRUCTION and LEASING activities. If you are not certain about where your project stands with regard to this statement, please contact the Environmental Review Officer, Tom Neff, at Tom.Neff@kcmo.org or (816) 513-1332.

VIII. IF YOUR PROJECT IS FUNDED

If your organization is funded through this Consolidated Plan process, the following information provides an idea on what will be expected of you, what types of demographic documentation you will need to provide the City and other general information.

Project Manager

Project Managers are City staff assigned to assist each agency/contractor receiving funding through the Action Plan. They are to assist the agency and be the primary point of contact during the contract development and implementation phases related to the specific project.

Agency Agreement

If you are selected to receive funding, your agency will be required to sign a contract. This document establishes the basis on which you are to receive funding, the use of the property to be assisted, the services to be provided, demographics of the population to be served, how funds will be disbursed and the general terms and conditions as required by the specific funding source. The Project Manager and the City's Law Department will be responsible for writing the contract, which will be sent to the funded agency for review and comment.

All contracts will contain a budget, a specific itemization of the services to be provided, and benchmarks or performance standards to determine compliance with contractual terms as well as the goals of your Action Plan application. **For this reason, it is very important that your application accurately reflect the number of families and individuals served, who your clients will be and the specific performance goals.** Failure to perform in accordance with contract goals could cause your contract to be cancelled or reduced and your agency to not be considered for funding in future years.

Funded agencies will enter into contracts with the City for their grant award. Agencies receiving CDBG and HOME funding must also receive environmental review approval and, if applicable, Section 3 and MBE/WBE Plan approval prior to contract execution. Detailed monthly or quarterly reports on the status of program activities and accomplishments will be required by the contract.

Appendix A:
2022-2026
Housing and Community Development
& Fair Housing Policies, Goals, and Strategies

The following begins a community-wide discussion on a framework to guide the City’s housing, community, and fair housing policies, goals, and strategies over the next five years. The primary components of the framework include:

FIVE YEAR CONSOLIDATED PLAN AND PROPOSED GOALS AND STRATEGIES

The Consolidated Plan document assesses the city’s housing and community needs, identifies policy and strategy solutions, and sets goals and objectives on how to allocate funding from the federal sources for housing and community development purposes over a five-year period. This planning process is mandated by the US Department of Housing and Urban Development (HUD). Kansas City, Missouri receives four sources of funds on an annual basis which include the following:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership Program (HOME)
- Emergency Solutions Grant (ESG)
- Housing Opportunities for People with AIDS (HOPWA)

The Five-Year Consolidated Plan provides an overall strategy for the use of federal resources, in collaboration with local and philanthropic sources, to address housing and community needs. Needs include: creation and preservation of housing; financing of homeownership opportunities; community development through economic development and public facilities; special needs; housing mobility objectives; public service activities which encompass housing assistance, day care, housing counseling, eviction prevention, and economic development activities.

In recent years, the Low-Income Housing Tax Credit program has proven to be a valuable complement to the City’s federal funding, such as HOME Partnership and CDBG funding, to help with preserving and creating additional units to meet those families at lower income levels and those in need of services. Collaboration with partners is essential to Kansas City increasing and preserving housing.

The City of Kansas City, MO has successfully reached some of its goals, strategies and objectives developed in the Fair Housing Report submitted with the 2017-2021 Consolidated Plan. Many of these goals continue to be important to adequately serve our residents and are reflected in the 2019 – 2023 Five Year Housing Policy.

This Action Plan seeks to align housing and community development programs with stated citywide goals. In the 2020 – 2024 Citywide Business Plan, the Housing and Healthy Communities goal is: *To support the development, maintenance, and revitalization of sustainable, stable, and healthy communities through equitable policies and programs aimed at improving housing, neighborhoods, and health care services in all areas throughout the City.*

1. or an innovative option for helping to preserve small multifamily units and those units with expiring use agreements.
2. Support the creation of housing through the rehabilitation of vacant and blighted residential properties.

Develop a notification/tracking strategy where the City will document and track, to the extent possible, expiring assisted housing developments to determine the affordability expiration and the risk factors for losing affordability Goals and Strategies for the 2022 Action Plan are as follows:

Goal 1: Create and fund a Housing Trust Fund that will work in partnership with federal and philanthropic resources to have a catalytic impact to create and preserve units, and provide the needed funding to meet the needs of households at lowest income levels and of those who need supportive services.

Strategies

1. Use federal funding and stakeholder partnerships to leverage the Housing Trust Fund and increase the supply of affordable housing.
2. Establish policies for the use of the Housing Trust Fund and processes for evaluating funding request.
3. Grow the Housing Trust Fund by setting annual funding goals and designating sources of funds.

Goal 2: Maintain and strengthen relationships with Missouri officials.

Strategies

1. Meet regularly to discuss housing needs and solutions to increase level of resources and funding support.
2. Engage and share information with key public officials to express the needs of Kansas City and how state programs and services can support Kansas City.
3. Push for stronger housing policies and legislation at the state and federal level.

Goal 3: Develop plans and strategies for affordable housing in transit corridors with close proximity to education, health care, jobs, and retail to give residents increased access jobs and social services.

Strategies

1. Continue implementing the ROAD Forward housing mobility program to ensure housing for those most in need are located near corridors with schools, access to health care and jobs.
2. Provide incentives for affordable housing along transit corridors.
3. Provide incentives for rental housing for older adult households in targeted areas around health care facilities.

Goal 4: Address barriers to securing affordable, safe and decent rental housing for those low and very low incomes.

Strategies

1. Develop an effective marketing program and provide training, workshops, education, and other opportunities for low-income renters to assist them with resources, knowledge of their rights, and other service opportunities.
2. Implement a Housing Locator to help with locating housing units and resources around the city and across the metropolitan area.
3. Pass local legislation making source of income a protected category by the City.
4. Provide ongoing eviction assistance and homeless prevention services through partnering with key agencies, thus creating a strong system to reduce evictions. Explore funding sources to review and regularly update housing and eviction data.
5. Continue the relationship with the Housing Authority of Kansas City to increase the number of publicly owned housing units and other affordable resources to serve very low and low-income residents.
6. Complete the Choice Neighborhood Initiative and find additional ways to add federal to benefit Kansas City and its residents.
7. Obtain and provide federal, state, and local resources for rent and utility assistance, case management and staffing.

Goal 5: Continue creating redevelopment efforts and provide sustainable and vibrant neighborhoods through community led housing creation.

Strategies

1. Create infill housing through the use of repurposed buildings and Land Bank owned vacant lots
2. Support redevelopment efforts on large vacant tracts of land.
3. Promote mixed income housing and homeownership for first time homebuyers.
4. Create housing that supports residents with services and job creation.
5. Provide Minor Home Repair and evaluate how we can provide additional resources.

Goal 6: Increase opportunities for homeownership at all income levels.

Strategies

1. Develop and implement a homeownership program that assists existing homeowners and first-time buyers. Pilot the program in targeted areas.
2. Dedicate funding for targeted down payment assistance of up to 10%, 15%, and 20% down payments in areas as guided by the Market Value Analysis data.
3. Build capacity at housing counseling agencies to assist potential homebuyers and build relationships with local realtors.
4. Coordinate with the Housing Authority's Housing Choice Voucher Homeownership Program to enable Kansas City voucher clients to purchase their own homes utilizing Section 8 voucher payments.
5. Coordinate with corporate and financial institutions and others to enhance the home ownership opportunities for low to moderate income families.

Goal 7: Implement housing preservation recommendations

Strategies

3. Continue with the work of the Housing Preservation Task Force and work with groups that provide preservation funding, such as LISC, IFF, NOAH (Naturally Occurring Affordable Housing), MHDC and others.
4. Create a Loan/Grant Pool upon expiration. The City will reach out to the owners of these properties to provide the proper city incentives to keep these units affordable.
5. Continue to assess small multifamily units across distressed census tracts.

Goal 8: Support aging in place programs and housing supportive services

Strategies

1. Leverage existing programs to assist with home repairs and modifications including partnering with the City's Healthy Homes program and area agencies that assist with home modifications.
2. Set priorities for Low Income Housing Tax Credit projects to include units for older adults, non-elderly disabled persons, and special needs populations
3. Build new and renovate existing housing units that reduce mobility barriers.

Goal 9: Increase the understanding of equity around housing access and the understanding of housing rights to ensure equitable housing access.

Strategies

1. Create and fund a Fair Housing Initiatives Program in Kansas City.
2. Assist residents that have been subjected to housing discrimination.
3. Communicate and teach fair housing to tenants and homeowners.

Goal 10: Create a comprehensive strategy and robust infrastructure to address homelessness.

Strategies

1. Leverage funding provided through the Emergency Solutions Grant program
2. Partner with stakeholders to promote and develop more supportive, senior, and veteran housing units.
3. Coordinate with agencies including the Greater Kansas City Coalition to End Homelessness and the KC Houseless Task Force.
4. Create educational opportunities and strategies for the City and its partners around Rapid-Rehousing and outreach to houseless individuals
5. Create additional units to meet the needs of those at risk of being houseless and homeless, including youth.
6. Support supportive housing education for developers, asset manager, social service agencies.

Goal 11: Maximize Section 3 and Minority Business Enterprise and Women Business Enterprise participation

Strategies:

1. Continue to train and assist Section 3 companies.
2. Work with the City's Civil Rights and Equal Opportunity department to set goals for housing projects that support Section 3 and MBE/WBE firms.

OTHER STRATEGIC POLICY ISSUES:

Given the complexities and challenges of the City's housing, community, economic development, and fair housing needs in critical target areas, the City should develop effective and long-term capacity to effectively manage a range of programs and activities that address the needs and accomplish shared goals with the community and the region. Strategic policy responses include:

- Provide resources for the administration of redevelopment and rehabilitation financing assistance programs.
- Utilize the Market Value Analysis, targeted neighborhood data, and existing evaluations to evaluate projects regarding community support, percentage of ownership/rental, concentration of income levels, availability/accessibility of transportation, neighborhood condition, and capacity of neighborhood organizations.
- Continue to move forward with completing the Housing and Economic Development Financial Corporation (HEDFC) Receivership projects noted in the City-HUD Memorandum of Agreement of April 1, 2013.

Recognize and prioritize the following major Housing, Community & Fair Housing issues and corresponding strategies and partnerships to address these issues. Please review the existing AFFH Goals. Once the new Assessment of Fair Housing is completed and approved, these goals will be included in our plan and the report will be posted for your review.

- **Address Discrimination and Equity**
 - *Increase awareness and increase resources that result in a reduction of discriminatory actions by landlords, realtors, lenders or others; and enable residents to recognize discrimination if it occurs and understand the resources available to them and how to access them so residents are able to meet their housing needs.*
- **Limited access to economic opportunity and quality education**
 - *Increase access to economic opportunity for disadvantaged persons and families through quality education and workforce development services.*
- **Limited transportation access to jobs and community services**
 - *Expand public transportation services, housing development in transit corridors, and services to connect residents in disadvantaged neighborhoods and communities to jobs and community services.*
- **Address Discrimination and Community Opposition**
 - *Raise understanding and awareness by the public of the need for affordable housing throughout the region with the publication of quality data and metrics and targeted advocacy, and encourage the participation in positive dialogue about the development of quality housing options that add to the value of neighborhoods.*

**Appendix B: CDBG Funding Request Packet
(for Housing, Economic Development and Other Eligible Activities)**

- **2023 CDBG / HOME Partnership Funding Proposal Instructions**
 - **2023 Funding Request Proposal**
- **Schedule C – Program Operating Budget Summary**
 - **Schedule D – Project/Program Budget**

CDBG/HOME FUNDING REQUEST INSTRUCTIONS

Section I – PROPOSAL SUBMISSION

Please note that your responses to questions 1-16 are not to exceed eight (8) *single-sided* pages in length. Required exhibits are not included in this number. The application has been made available in an electronic format so that it can be filled in online and printed or downloaded for completion. You can find the application form and other *Action Plan* processing information on the City’s web site <https://www.kcmo.gov/city-hall/housing/hud-rfp-and-applications>

.A proposal for CDBG funding that does not meet one of the two national objectives will be considered ineligible and there will be no further consideration of the application. A proposal for HOME funding that is neither CHDO eligible or for implementation activities in approved *Action Plan* areas will be considered ineligible and there will be no further consideration of the application.

ONLY ONE ACTIVITY OR PROJECT MAY BE SUBMITTED PER APPLICATION.

LATE PROPOSALS WILL NOT BE ACCEPTED.

Section II – PROPOSAL EVALUATION CRITERIA

Proposals involving activities other than public services will be scored according to the following criteria which all carry equal weight. Proposals should clearly delineate program goals with quantifiable objectives.

Five Year Consolidated Plan 2022-2026

- A. **Project Enhancement:** Does the proposal directly assist in implementing the *2022-2026 Consolidated Plan*. Does the proposal indicate how the activity is consistent with strategies or priorities outlined in other planning documents for the city or with other publicly financed projects? Will activities have a potential for a long-term positive impact on the surrounding area.
- B. **Project Description and Community Support:** Does the proposal clearly describe the proposed project or activities to be funded, area of service, detailed program goals with measurable objectives, implementation time-frames, benefits of funding the proposal, and sound methods for self-evaluating outcomes associated with the application. Does the proposal show partnership/community support including the active involvement of affected neighborhoods?
- C. **Project Financial Viability:** Does the proposal include preliminary funding sources and uses analysis, preliminary budgets, and a description of the project’s long-term financial viability, including an estimate of City funding requested. Will there be any other funds leveraged by the CDBG/HOME allocation and, if so, what are the estimated time-lines for receiving and utilizing those funds. Does the budget narrative contain the level of detail to sufficiently justify proposed costs? Does the proposal demonstrate that the activities to be performed meet or exceed reasonable standards of cost/benefit effectiveness?
- D. **Organizational Capacity and Oversight:** Does the proposal include a detailed description of the organization’s program and administrative staff, management and administrative structures, program monitoring and oversight methods, and past history providing similar services. What has been the performance of the applicant in past CDBG/HOME allocations including monitoring and audit findings and the success of past programs. Does the proposal include an explanation if significant changes in the annual budget are anticipated within the funding cycle.

Section III – CDBG & HOMEPROGRAM ELIGIBLE ACTIVITIES

Besides having proposed projects meet one of the national objectives previously listed, there must also be an eligible activity as defined by the CDBG regulations. Housing and Community Development Department staff is available to interpret project eligibility guidelines and provide needed technical assistance. Projects in the following categories are **generally** eligible to receive CDBG funding:

Acquisition of Real Estate—in whole or in part by a public agency or private non-profit entity.

Disposition—Costs associated with maintenance and sale of CDBG purchased property.

Public Facilities and Improvements—acquisition, construction, reconstruction, rehabilitation or installation of publicly owned facilities and improvements, such as the following, except buildings for the general conduct of government:

- senior centers
- centers for the handicapped
- neighborhood facilities
- fire protection facilities
- street improvements
- water and sewer facilities including storm sewers

Clearance Activities— including demolition and removal of buildings and improvements, or movement of structures to other sites.

Public Services — including those concerned with employment, crime prevention, childcare, health, drug abuse, education, housing counseling, welfare or recreational needs.

Relocation — including payments for Loss of Rental Income pursuant to relocation.

Urban Renewal Completion (HUD approved projects).

Removal of Architectural Barriers— special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly or handicapped persons.

Rehabilitation — of single and multi-family residential structures, publicly and privately-owned non-residential structures, public housing agency modernization; historic preservation; renovation of closed schools; energy efficiency improvements; and development of shared housing opportunities for elderly persons.

Special Economic Development Assistance to Private For-Profit Entities — for activities necessary or appropriate to carry out an economic development project.

Commercial or Industrial Improvements by Grantee/Non-Profit Agency — including the acquisition, construction, reconstruction, or installation of commercial or industrial buildings, structures, and other real property equipment and improvements.

Special Activities by Subrecipients — (neighborhood-based non-profit organizations, Small Business Investment Companies (SBIC), or a local development corporation), which are not otherwise eligible.

Planning and General Administration — includes planning and capacity building activities such as community development plans, energy plans, environmental plans, and costs for overall program management, coordination, monitoring, and evaluation.

Section IV - GUIDE TO COMPLETING PROPOSAL FOR CDBG OR HOME FUNDING

The following step-by-step guide is provided to help agencies respond to the proposal questions.

1. **Applicant Information.** Complete name and address of agency requesting funding. Include contact information for person available to answer questions regarding proposal.
2. **Certification.** Print the name and title of the individual authorized to bind the Applicant. The authorized agent must also sign the proposal on the agency's behalf.
3. **Requested Funding Amount and HUD Program Source.** Provide the dollar amount of the CDBG or HOME funds requested.
4. **Meeting a CDBG National Objective.** All CDBG projects must meet one of the two objectives as defined by HUD.
5. **Program or Project Information.** Distinctly different programs or projects require their own, separate application. All activities listed below must be related on a geographical or functional basis.
6. **Location.** Identify the geographic area to be served by streets and census tract and provide a description of the facilities/location where improvements will be provided. Describe how the activity will contribute to the City's goal of stabilizing and revitalizing the core Action Plan neighborhoods.
7. **Goals, Outputs and Outcomes.** In terms that are measurable, describe the goals of the project, and how the project will align with stated City goals, plans, and policies.
8. **Leveraging of Funds.** (List all other known or anticipated funding sources / amounts for this proposal.)
9. **Collaboration with Other Agencies.** Explain if the proposed project will be carried out with the help or support of other agencies or organizations. Name the organizations and be specific about their involvement and/or support.
10. **Housing Production.** As applicable, describe your involvement with residential projects over the last two years.
11. **Neighborhood Support.** Attach any, letters, from neighborhoods directly affected, in support of your program or project.
12. **Project/Program Site Suitability.** Attach as Exhibit E, copy of a complete Form 0520 "Environmental Checklist" with attachments (blank copy of form found in Appendix D of the "Request for Proposals Guide."
13. **Organization's current Certificate of Good Standing from the State of Missouri showing 501(c)(3) status.** Attach as *Exhibit A*
14. **Evaluation of Agency Financial Condition and Governance Practices.** Complete and attach as Exhibit D.
15. **Outstanding Liens or Delinquencies.** List any and all outstanding liens or delinquencies against the agency and any unsold housing units assisted with CDBG or HOME funds.

16. Additional Information. This section is provided to capture any information the agency wishes to submit to clarify the proposal request and provide additional information on the positive impact the proposed project will have on the community.

Schedule C – Operating Budget Summary. If you have included program operating costs in your request, they must be recorded on this form. Remember that you will be reimbursed for eligible expenses and documentation of expenses incurred will have to be presented with your request for payment. The CDBG or HOME total operating costs from Schedule C should be shown on the next to last line of Schedule D. Do not include current City funding allocations as Other or Matching Funds.

Schedule D – Program/Project Budget. Complete Schedule D to record sources and uses of project funds. Amounts shown under Sources should relate to the total cost of the project, not just to the CDBG or HOME portion of the expenses. For line “d” under Sources, indicate the program funding source – e.g. PIAC.

Exhibit A – Certificate of Good Standing from State of Missouri

Exhibit B – Rental Pro Forma (if rental project)

Exhibit C – Neighborhood Support Letter (if required)

Exhibit D – Evaluation of Agency Financial Condition and Governance Practices

Exhibit E – Environmental Checklist with supporting documentation

- Do not bind or staple the original or copies. Use a black binder clip to secure the application.
- Do not include letters of support or other information not specifically requested.

Application # _____

Received By: _____

2023 NON-PUBLIC SERVICE PROPOSAL

CDBG and HOME Funding Request

All previous versions of this form are obsolete and will not be considered for funding. Do not copy and paste information from previous applications or proposals.

1. Applicant Information:

Organization: _____

Address: _____

City, State: _____ Zip: _____

Telephone: _____ Fax: _____

Contact Person: _____ Email: _____

Title: _____ Phone: _____

2. Certification:

I certify that I have reviewed this application and that to the best of my knowledge and belief, all of the information provided is true, and the application has been authorized by the organization's Board of Directors.

Signature of Authorized Representative

Date

Print Name

Title

3. Requested Funding Amount and HUD Program Source:

\$ _____ CDBG _____ HOME _____

4. For CDBG and HOME funding requests, check the HUD National Objective.

Benefit to low- and moderate-income persons or households (more than 51% of clients served are low- and moderate income)

Prevention or elimination of slums or blight

- 5. Program or Project Information.** Distinctly different programs or projects require their own, separate application. All activities listed below must be related on a geographical or functional basis. (e.g. Single Family Housing Development – Belvidere Place In-Fill Project: Acquisition, Asbestos remediation, Demolition, Soil remediation, Site preparation, and new construction of 4 Radon-resistant units of single-family housing)
- 6. Location(s) where the project or program will take place.** If addresses are not assigned, identify nearest intersection, or geographic coordinates (e.g. 2413 Highland Ave, KC, MO 64108, or 24th St & Highland Av, KC, MO, or 39.082863, -94.562293)
- 7. In terms that are measurable, describe the goals of the project, and how the project will align with stated City goals, plans, and policies.** (e.g. Convert 4 acres of vacant land to productive use, remove buried foundations/debris from 12 urban parcels; provide affordable housing to 12 low to moderate income households.)
- 8. Leveraging of Funds.** (List all other known or anticipated funding sources / amounts for this proposal.)
- 9. Collaboration with other agencies.** (List all participants in this project/program, and their role, e.g. MHDC, financial assistance; Homesteading Authority, land assembly; A2Z Construction, new construction.)
- 10. Housing Production.** As applicable, describe your involvement with residential projects over the last two years. (e.g. General Contractor, 8 rental housing units, concluded 9-2020; Land Acquisition & Assemblage for development of 4 single family units, concluded 4-2021; Completed 38 Minor Home Repair Projects during Program Year 2020-2021) Where appropriate, attach pro forma for proposed production of rental units as *Exhibit A*.
- 11. Neighborhood Support.** Attach as *Exhibit B*, letters, from neighborhoods directly affected, in support of your program or project.
- 12. Project/Program Site Suitability.** Attach as *Exhibit C*, copy of a complete Form 0520 “*Environmental Checklist*” with attachments (blank copy of form found in Appendix G of the “*Citizen Participation Plan and Request for Proposals Guide*.”)
- 13. Organization’s current Certificate of Good Standing from the State of Missouri showing 501(c)(3) status.** Attach as *Exhibit D*
- 14. Evaluation of Agency Financial Condition and Governance Practices.** Attach as *Exhibit E*
- 15. Outstanding Liens or Delinquencies.**
- 16. Explain the purpose and need for this program or project, and any additional information.** (e.g. Elimination of blighting influences in the community; creation of four (4) affordable housing units; increasing residential density in support of local commercial interests; etc.). Attach as *Exhibit F*
- 17. Evaluation of Agency Financial Condition and Governance Practices (Exhibit D)**
- 18. Environmental Checklist with supporting documentation (Exhibit E)**

SCHEDULE C: 2023 PROPOSAL – PROGRAM OPERATING BUDGET SUMMARY
For CDBG (non-Public Service) and HOME Requests

Proposed Project/Program:

Type and Amount of Funds Applied For	
CDBG	HOME

Leveraged Funds	Total Project Funds

Project Administration and Expenses	CDBG Funds	HOME Funds	Other Funds	Matching Funds	TOTAL FUNDS
Personnel Salaries (by title)					
1.					
2.					
3.					
4.					
Fringe Benefits					
Rent					
Telephone					
Supplies					
Printing					
Mileage					
Other					
Other					
Total Operating Cost					

SCHEDULE D - PROJECT/PROGRAM BUDGET

For CDBG (non-Public Service) and HOME Requests

Note: Please provide a detailed budget on a separate page if the form does not allow sufficient space for all construction categories. Please provide detailed description for other categories.

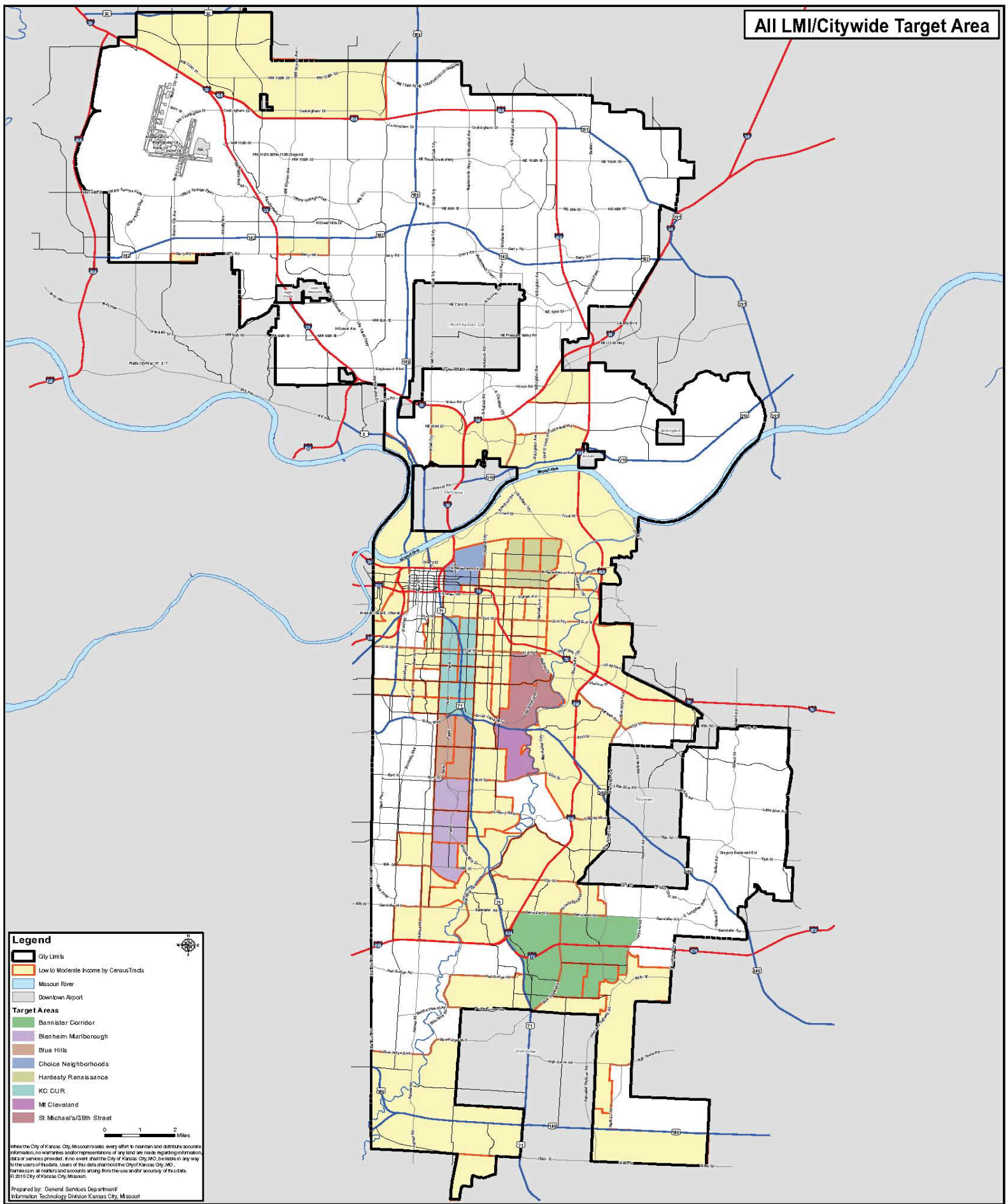
Applicant may be disqualified if the budget is not included as described above.

PROJECT/PROGRAM NAME: _____

SOURCES				
Funding Source (identify source for d)	\$	Date applied for	If approved, date of award	If not yet approved, anticipated approval date
a. Funding from this Application				
b. Federal Government				
c. State Government				
d. City of KCMO				
e. Applicant				
f. Other (identify)				
TOTAL PROJECT	\$			
USES OF CDBG or HOME FUNDS REQUESTED				
Acquisition			\$	
Architectural/Engineering				
Asbestos/Lead Survey				
Demolition				
Renovation Work (requires detailed budget)				
New Construction (requires detailed budget)				
Economic Development				
Home Ownership Assistance				
Operating Costs (CDBG or HOME total from Schedule C)				
TOTAL CDBG or HOME PROJECT COST (equals line item "a" above)				

Appendix D: Reference Materials

- **Priority Areas Map**
- **Evaluation of Agency Financial Condition and Governance Practices Form**
- **2023 Income Limits**



Legend

- City Limits
- Low to Moderate Income by Census Tracts
- Missouri River
- Downtown Airport

Target Areas

- Bannister Corridor
- Blenheim Marlborough
- Blue Hills
- Choice Neighborhoods
- Hardesty Renaissance
- KC CUR
- Mt Cleveland
- St Michael's/39th Street

0 1 2 Miles

While the City of Kansas City, Missouri makes every effort to maintain and distribute accurate information, no warranties and/or representations of any kind are made regarding information, data or services provided. It is the user's sole responsibility to verify the accuracy of any data. Users of this data shall hold the City of Kansas City, MO, harmless in any way. Permission is granted to users and accounts arising from the use and/or accuracy of this data. © 2015 City of Kansas City, Missouri.

Prepared by: General Services Department
Information Technology Division Kansas City, Missouri

CITY OF KANSAS CITY, MISSOURI
EVALUATION OF AGENCY FINANCIAL CONDITION AND GOVERNANCE PRACTICES

1. Corporation /Agency Name: _____

2. Financial Statements: _____

Circle the type of Auditor’s Report most recently issued:

- Unqualified (Financial Statements **DO** present fairly)
- Qualified (See CPA’s explanation of qualification)
- Adverse (Financial Statements **DO NOT** present fairly)
- Disclaimer (See CPA’s explanation)

		Immediately Preceding Prior Yr.	Previous Year
3	Fiscal Years Ended		
4	Internal control over financial reporting – Provide the number of:		
A	Material weaknesses identified		
B	Significant deficiencies (not considered to be material weaknesses)		
C	Deficiencies and noncompliance issues mentioned		
5	Federal Awards (A-133) – IF A-133 required, provide the number of:		
A	Material weaknesses identified		
B	Significant deficiencies (not considered to be material weaknesses)		
6	Type of audit report issued on compliance for major programs		
7	Are any audit findings disclosed that are required to be reported per Sec. 510(a) of Circular A-133? Indicate Yes or No		
8	Is the Corporation/Agency qualified as a low Risk Auditee? Indicate Yes or No		
9	Name of the audit firm issuing the Audit Report? _____ If the audit firm changed, attach a 1 page explanation of why change was made.		
10	What was the total cost of your audit?		
11	What percent of your agency’s total revenue are funds received from City of KCMO?		
12	How many suggested improvements were made by the audit firm?		
<i>Sarbanes-Oxley legislation made changes that are being recognized as industry “best practices” for reporting financial information. The City encourages application of these “best practices” concepts to agencies making application for City funding and some of the questions below come from those concepts.</i>			
13	How many of the last 10 years has this audit firm been the entity’s auditor?		
14	When did the entity most recently begin using this audit firm as their auditor?		
	What was the CPA’s name who signed the most recent financial statement audit report?		
15	What was the issuance date of this audit firm’s peer review and what period did it cover?	Issue Date _____	Period Covered
16	What was the opinion on your audit firm’s last peer review? Audit firm may attach 1 page comment. Indicate whether comment attached.		___ Yes ___ No
17	Attach a copy of your entity’s most recent Code of Ethics and Conflict of Interest statements.		
18	Has the entity, any Board member, officer, or employee ever been on any Federal, State or local debarment (or similar) list? If yes, attach 1 page explanation including all relevant facts and names.		___ Yes ___ No

19	Did the CEO and CFO attach a letter regarding their attestation to the accuracy of the financial statements and their footnotes? Indicate Yes or No.	<input type="checkbox"/> Yes <input type="checkbox"/> No	
20	What are the members of the agency's consolidated family of companies (if any)?	For Profit	Not for Profit
#1			
#2			
#3			

21	What committees does the Board have and how often did each meet?	# of Official Meetings Held	
	Committee Name	Immediately Preceding Prior Yr.	Previous Year
	1. Audit Committee		
	2. Compensation Committee		
	3. Management Committee		
	4. Governance Committee		
	5. Other (Identify)		
	6. Other (Identify)		
22	How many official Board meetings were held and documented during these years?		

(Use Committee #s from

Above)

Board Members	Name	Employee of Agency? Y/N	Chair of What Committees	Member of What Committees	Financial Expert Y/N (see note)
Chair					
Vice Chair					
Member – Sec.					
Member					
Member					
Member					
Member					
Member					
Member					
Member					
Member					
Member					
President					
Vice President					
Exec. Director					
Asst. Director					
CFO					
Treasurer					
Controller					

Note: Financial experts will be individuals who have financial expertise through education and experience as a public accountant or auditor or a principal financial officer, comptroller, or principal accounting officer of an issuer of audited financial statements.

		Immediately Preceding Prior Yr.	Previous Year
23	Did each Board member individually review and become familiar with the details of their Form 990 Tax Return BEFORE it was filed with the IRS?		
24	Have any Board members ever plead guilty, no contest, or been found guilty of a felony (including any form of plea bargaining)?		
25	Have any employees in management or those handling cash, revenue, accounting or other Key Employees at the agency ever plead guilty, no contest or been found guilty of a felony (including any form of plea bargaining)?		
26	Within the last 2 fiscal years, did the agency change (restate or revise) its method of accounting or reporting data requested on IRS Form 990? If Yes, attach a 1 page explanation.		
27	Did the agency make a change in its activities, objectives, goals or services or methods of providing them during the last 2 fiscal years? If Yes, attach a 1 page explanation.		
28	Do your Financial Statements (Including Notes) or other entity records refer to any of the following? If so, attach a full explanation (limit of 1 page per question).	Immediately Preceding Prior Yr.	Previous Year
A	Related Party Transaction?		
B	Unresolved litigation or contingent liability?		
C	The entity's ability to continue as a Going Concern?		
D	Disagreements between the entity and its auditor? (Significant disagreements are those that could be material to the statements.)		
E	Any fines or penalties paid or owed?		
F	Any taxes that are not paid or were paid late (local, state or Federal)?		
G	Any tax returns that were not filed or filed late?		
H	Any event subsequent to the date of your auditor's report that negatively impacts the financial strength or governance of the agency?		
I	Has any government body examined your entity and/or found errors or proposed adjustments in the last 2 years?		
J	Have any recipients of products or services paid for with City funding been related to any Board member, employee, contractors, etc.		
K	Are any Board members, employees, contractors, etc. related to or dependent on any other Board member, employee or contractor in the 1 st or 2 nd degree?		
L	Are ANY expenditures paid for with City funding subject to ANY reimbursement from another source?		
29	Within the last 2 years, has the entity failed to achieve any goals or objectives established by the City's Housing and Community Development Department?		
30	Attach copies of the portions of the entity's most recent IRS Form 990 that show the following: A. Summary (page 1) B. Compensation of Officers, Directors, Trustees, Key Employees, etc. (Part VII) C. Statements of Revenue (Part VIII)		

31. Do you have any concerns or questions about the fairness/consistency in this process? If so, document any anomaly or unfairness your agency has experienced in this selection process here.

I have prepared or completely reviewed this form and believe it to be true, accurate and complete in all material aspects and I take responsibility for its contents.

Name: _____ Date: _____

FY 2023 HOME and CDBG Income Limits

FY 2023 Income Limit Area	Median 4-Person Family Income	FY 2023 Income Limit Category	Persons in Family							
			1	2	3	4-Person Limit	5	6	7	8
Kansas City, MO-KS HUD Metro FMR Area	\$104,600	Extremely Low (30%) Income Limits*	\$ 21,550	\$ 24,600	\$ 27,700	\$ 30,750	\$ 33,250	\$ 35,700	\$ 381,450	\$ 40,600
		Very Low (50%) Income Limits	\$ 35,900	\$ 41,000	\$ 46,150	\$ 51,250	\$ 55,350	\$ 59,450	\$ 63,550	\$ 67,650
		60% Income Limits	\$ 43,080	\$ 49,200	\$ 55,380	\$ 61,500	\$ 66,420	\$ 71,340	\$ 76,260	\$ 81,180
		Low (80%) Income Limits	\$ 57,400	\$ 65,600	\$ 73,800	\$ 82,000	\$ 88,600	\$ 95,150	\$ 101,700	\$ 108,250
		Median Income	\$ 66,410	\$ 81,360	\$ 92,980	\$ 104,600	\$ 113,020	\$ 121,370	\$ 129,720	\$ 137,690

NOTE: Jackson County is part of the **Kansas City, MO-KS HUD Metro FMR Area**, so all information presented here applies to all of the **Kansas City, MO-KS HUD Metro FMR Area**. HUD generally uses the Office of Management and Budget (OMB) area definitions in the calculation of income limit program parameters. However, to ensure that program parameters do not vary significantly due to area definition changes, HUD has used custom geographic definitions for the Kansas City, MO-KS HUD Metro FMR Area.

The **Kansas City, MO-KS HUD Metro FMR Area** contains the following areas: Johnson County, KS; Leavenworth County, KS; Linn County, KS; Miami County, KS; Wyandotte County, KS; Caldwell County, MO; Cass County, MO; Clay County, MO; Clinton County, MO; Jackson County, MO; Lafayette County, MO; Platte County, MO; and Ray County, MO.

Income Limit areas are based on FY 2022 Fair Market Rent (FMR) areas. For information on FMRs, please see our associated FY 2022 Fair Market Rent documentation system.

Appendix G: Environmental Review

- **Overview of the Environmental Review Process**
 - **The Environmental Review Process**
 - **The Heart of the Review Process**
 - **Categorical Exclusion Approval Process**
- **Environmental Assessment Approval Process**
 - **Environmental Checklist**

Overview of the Environmental Review Process

All Federal Agencies must comply with the National Environmental Policy Act of 1969 (NEPA). This means that all activities proposed to receive Federal funding must be reviewed for compliance with applicable Federal laws and authorities (including Executive Orders and Agency regulations) which collectively protect and enhance the environment by removing detrimental conditions and providing citizens with the benefits of a healthy environment (the tangible and intangible, the natural, built and human together). A few of these laws and authorities are: the Endangered Species Act, the National Historic Preservation Act, the Clean Air Act, the Flood Insurance Reform Act, as well as regulations and policies implemented by other Federal agencies. These laws and authorities help the Department of Housing and Urban Development (HUD) in its mission to provide “safe, decent and affordable housing.”

NEPA provides the basic requirements for the review process. Title II of the Act established the Council on Environmental Quality (CEQ) within the White House. The CEQ regulations that implement NEPA are spelled-out in the Code of Federal Regulations (CFR) at 40 CFR Parts 1500 – 1508

(<https://ceq.doe.gov/laws-regulations/regulations.html>).

Each Federal agency has their own regulations that implement NEPA and fall in line with those of the CEQ. For HUD, regulations listed at 24 CFR apply to their programs and operations as a whole. Within 24 CFR there are numerous “Parts.” Of particular importance to the environmental review process are Parts 35, 51, 55, and 58 (all of these play a significant role in the City’s environmental review process).

Generally, Federal agencies have their own staff to conduct their environmental reviews; a notable exception is HUD. Due to the vast number of projects and activities that HUD assists, they delegate many, but not all, environmental review responsibilities to states and units of local government. In this capacity each is referred to as a “Responsible Entity” (RE). As an RE, the City of Kansas City, Missouri, acts as an official agent of HUD, taking-on legal obligations on behalf of HUD, and overseeing the on-going implementation and monitoring of grant funded activities. The specific portion of HUD’s regulation that outline’s the City’s obligations and procedures for conducting environmental reviews is 24 CFR Part 58

(<https://www.hudexchange.info/environmental-review/hud-environmental-regulations/>).

On behalf of HCDD, the City’s Environmental Review Officer (ERO) is responsible for carrying-out the review process and determining whether activities are compliant with NEPA and related laws and authorities. The ERO enlists the assistance of others who have specific knowledge or skills germane to the process, such as other HCDD staff, the City’s Historic Preservation Planner in the City Planning and Development Department, Development Management staff, Plans Review staff, and staff of the City’s Parks and Recreation, Water Services and Public Works Departments. Additionally, the U.S. Fish and Wildlife Service, Missouri Department of Conservation and other non-municipal resources are brought into the process.

Frequently, non-profit agencies become direct recipients of other HUD grant funds. In these circumstances, such grantees must request the City to act as Responsible Entity for the purposes of performing environmental review. The grantee must provide the ERO with a formal request to act as RE and provide full project information. The grants typically involved are:

- Continuum of Care (CoC),
- Self-Help Homeownership Opportunity Program (SHOP), and
- Public Housing Authority (Project Based Voucher, Capital Fund Program, Choice Neighborhoods Initiative Implementation, etc.) grants

A complete listing of programs that REs review can be found at 24 CFR 58.1(b).

The Environmental Review Process

Early and Clear Documentation

Once applications (proposals) have been received by the City, a cursory review is conducted to determine whether there are items that would require clarification in the environmental review process. If warranted, a “heads-up” to the applicant may be provided to help avoid conflicts with statutory or regulatory requirements, should their proposal be selected for inclusion in the Consolidated Action Plan. However, it is the responsibility of applicants to understand the limitations and requirements that are placed on HUD funds at the time of application. (“Choice-limiting actions,” are not allowed per 24 CFR 58.22).

The environmental review process starts with clear information about projects or programs being considered for funding. Projects involving rehabilitation, demolition, site clearance, new construction, and certain other activities, require completion of the City’s “Form 0601 Site Specific Environmental Checklist” by the Respondent to this RFP, prior to their being considered for inclusion in the Action Plan (sample attached). This form contains questions about specific environmental conditions that must be addressed in the environmental review process. It must be accurately filled-out and signed by the applicant or a representative familiar with the project. (The attached copy can be used or, if necessary, a hard copy or electronic copy can be obtained by contacting the Environmental Review Officer at 816-513-1332.).

All Environmental Review Records (ERRs) MUST BE conducted/recorded in HUD’s “HUD Environmental Review Online System” (HEROS). Because of this requirement, all documentation provided by applicants must be legible - able to be reproduced clearly in Portable Document Format (PDF), so that it can be uploaded to the all-electronic HEROS system without losing clarity, content, or context.

Once a project, program or activity has been identified for inclusion in the Action Plan, the ERO will contact the sponsors of those activities to ensure that they are aware of the level of review necessary, and to request any further clarification and documentation necessary to begin the review. The ERO will generate Environment Review Records (ERR) for such activities, in HEROS. Documentation that may be requested includes: additional maps; additional 4” X 6” photographs embedded in an electronic file that can be uploaded to the HEROS system; a photo-key which

shows, on a project site map, the locations where photos were taken and in which direction they were taken); any existing Environmental Site Assessment documentation (ASTM Phase I ESA Standard E1527-13 and ASTM Phase II ESA Standard E1903-11); and any other documentation which is needed to ensure that the project can be adequately evaluated. ALL such documentation must be made available in electronic format as noted in the previous paragraph.

Note: An Environmental Site Assessment or ESA is a very specific site investigation conducted to determine the presence of contamination, and should not be confused with an Environmental Assessment which is a NEPA defined level of review (discussed later).

The environmental review process can be time-consuming. The more complex, large or controversial a project, program or site, the more involved the review process. The better a project sponsor can anticipate the needs of the environmental review process prior to application, the more smoothly the review will run. In all cases, the review process will progress only after the necessary electronic information has been received.

HUD's regulations specify the activities that can be undertaken using particular program funds. Various portions of the regulations define those activities. Part 58 of the regulations tie program definitions to NEPA definitions. This is crucial, as it allows activities to be grouped together in the environmental review process.

Aggregation (24 CFR 58.32) - A responsible entity must group together and evaluate as a single project all individual activities which are related either on a geographical or functional basis, or are logical parts of a composite of contemplated actions. [24 CFR Sec. 58.32(a)]

[This is done so that we] address adequately and analyze, in a single environmental review, the separate and combined impacts of activities that are similar, connected and closely related, or that are dependent upon other activities and actions; [and] consider reasonable alternative courses of action; [and] schedule the activities to resolve conflicts or mitigate the individual, combined and/or cumulative effects; [and] prescribe mitigation measures and safeguards including project alternatives and modifications to individual activities. [24 CFR Sec. 58.32(c)]

Once projects have been identified, the ERO determines the level of environmental review needed for those projects and records that determination in the ERR. Again, this can only be done if the project is defined well enough and its activities appropriately aggregated (24 CFR 58.32).

Determination of Level of Review

Environmental reviews can range from very simple documentation for “Exempt” activities, to a Finding of Significant Impact (FOSI) which would require that an Environmental Impact Statement (EIS) be conducted as prescribed by NEPA. [Note: given the range of activities typically associated with HUD funding, an EIS is highly improbable. In the history of Kansas City’s entitlement programs, no EIS has been required – an indication that suitable alternatives have been found for large scale projects during the course of the environmental review.]

“Exempt”

“Exempt” activities (listed at 24 CFR 58.34) require clear notation of a project’s activities and funding. They include environmental and other studies, development of plans and strategies; information and financial services; administrative and management activities; public services that will not have a physical impact or result in any physical changes; inspections and testing of properties for hazards or defects; purchase of insurance; purchase of tools; engineering or design costs; technical assistance and training; and payment of principal and interest on loans made or obligations guaranteed by HUD, etc. “Exempt” means the activity is not considered capable of having a direct impact on the environment and is therefore exempt from a NEPA proscribed review. [Per aggregation, the full range of project activities must be considered in making such a determination.]

Categorically Excluded

“Categorically Excluded” means that the activity is one of a category of activities that, by their nature, do not have the potential to cause a significant impact to the environment and are therefore excluded from the NEPA Environmental Assessment requirements. Because they can have an impact, they must be reviewed for compliance with all applicable laws and authorities to determine what must be done in order for the project or activity to comply with those laws. Within this general group of activities there are two subgroups. Their differences are significant.

Categorically Excluded Not Subject To

This level of determination is associated with activities which are “**Categorically Excluded** [from an Environmental Assessment] and are **Not Subject To**” (CENST) activities listed at 24 CFR **58.5**. Over the course of several years, HUD has determined that CENST activities should be treated much like Exempt activities because they do not themselves have a physical impact on the environment. However, because these activities are associated with physical locations, they do require review for compliance with the requirements listed at 58.6. These activities (listed at 24 CFR 58.35(b)) include tenant-based rental assistance; supportive services such as short-term payment of utilities or rent; operational support of homeless facilities and daycare facilities; activities to assist homebuyers in purchasing an affordable dwelling that is existing or under construction; etc. Compliance with the Flood Insurance stipulations must be documented for Tenant Based Rental Assistance and Homebuyer Assistance activities.

CENST activities are documented in the ERR and do not require any further review or authorization by HUD (discussed later).

Categorically Excluded Subject To

The next level of determination is associated with activities which are “**Categorically Excluded** [from an Environmental Assessment] and are **Subject To**” (CEST) authorities listed at 24 CFR 58.5. These activities (listed at 24 CFR 58.35(a)) include acquisition (including leasing) or disposition of land and improvements; rehabilitation of public facilities, housing and other property; new construction of single family housing where there are four (4) or fewer units being developed on any one site; a project of five (5) or more new housing units being developed on scattered sites when each of the sites is at least 2,000 feet from any one of the other sites and, there are not more than four (4) housing units on any one site. Because these activities are of a physical nature or are committing HUD funds to a property that may or may not be suitable, these activities must be reviewed for compliance with the laws listed at 58.5. HUD regulations are very specific about what scale of activity is accepted into this category of review. Housing density, for example, can mean a great deal in determining whether the environment will be suitable for a project or vice versa.

CEST activities are documented in the ERR and require public notification, completion of a Request for Release of Funds (RROF), and subsequent authorization by HUD. Ongoing NEPA compliance must be maintained (see “Ongoing Compliance with Related Federal Authorities” below).

As noted at 24 CFR 58.34(a)(12) some CEST activities may “convert” to Exempt if, after the environmental review process has been completed, they have been found not to trigger any of the 58.5 Statutory Authorities. In these cases, CEST activities are documented in the ERR but do not require the completion of a RROF and subsequent authorization by HUD. Such projects must still comply with requirements set forth at 24 CFR 58.6.

Environmental Assessment

If a project does not fit within one of the above classifications, an **Environmental Assessment** (EA) is required. The EA, in turn, forms the basis for determining whether the project/activity will have a significant impact on the environment. This determination results in either (1) the requirement to perform an EIS as mentioned previously, or (2) a finding that the project/activity will have no significant impact on the environment (FONSI).

To get to a FONSI, the EA will take into consideration many more factors than the CEST level review. Included are: review for consistency with area plans; land use and zoning requirements; stated policies of City Council; Federal, state and local recommended best practices for such developments; possible infrastructure needs; etc. Additionally, alternatives including the “No Action” alternative must be considered along with alternative sites. Ongoing NEPA compliance must be maintained (see “Ongoing Compliance with Related Federal Authorities” below)

Once the level of review has been determined, the next step is a full review for compliance with 24 CFR Part 58, utilizing HUD’s HUD Environmental Review Online System (HEROS).

The Heart of the Review Process

Compliance with Federal environmental statutes and regulations listed at 58.5 include compliance with Section 106 of the National Historic Preservation Act (often referred to as the “Section 106 Review,” the regulation implementing this compliance process is found at 36 CFR Part 800), floodplain regulations set-out in 24 CFR Part 55, HUD noise regulations set-out in 24 CFR Part 51, Subpart B, Executive Order 11990 Protection of Wetlands, the Endangered Species Act, the Clean Air Act, the Clean Water Act, as well as other requirements (for specific citations refer to 24 CFR 58.5).

Additionally, projects are reviewed for compliance with state and local laws that govern the environmental conditions relevant to the project site or activities. In addition, all activities undertaken using HUD funds must comply with the authorities listed at 58.6 which includes the Flood Disaster Protection Act which requires that, for those properties receiving HUD assistance, and which are located within the 100 Year Floodplain, flood insurance be obtained and maintained for the life of the property regardless of a change in ownership (for specific citations refer to 24 CFR 58.6).

Compliance can be determined through review of on-line resources (as in the case of Wild and Scenic Rivers or Sole Source Aquifers), through consultation with authorities who track data associated with a given subject (e.g. Clean Air Act and the State Implementation Plan), or through appropriate procedures that involve legally proscribed consultation (e.g. Section 106 review or Endangered Species and Habitat).

The review must be concluded before clearance can be gained. To reach conclusion, all compliance issues must be adequately addressed. This does not always mean that the statutory or regulatory issues have been resolved prior to release of funds. Indeed, there may be ongoing requirements that are needed to ensure that outstanding issues are resolved prior to completion of the program or project (Minor Home Repair programs for example). This means that, in some cases, the program developer must satisfy compliance steps as properties are identified for inclusion in a program (e.g. is the property located in the floodplain or within proximity to a major roadway). In some cases, full evaluation of potential contamination cannot be undertaken until the site has been further prepared for development. In these cases, Conditions of Approval are made, and specific actions are required so that the property is safe for its intended reuse. It is important to note that the type of activity or program drives the determination that no significant impact would result and therefore some issues are weighed more heavily in the decision-making process.

Most often issues are fully resolved prior to release of funds. As part of the review process the ERO and developer work together to find solutions that ensure the protection and enhancement of the environment that will eventually benefit residents or patrons. This process is crucial and always results in a better project. In all cases, there must be a clear path to compliance for any outstanding issues that may remain at the time of clearance.

Note: Once an application has been submitted for a project that anticipates the use of HUD funding, neither HUD funds, nor non-HUD funds can be committed to that project until the environmental

review has been approved by HUD, and the Release of Funds obtained. No choice limiting action can be taken until the environmental review is approved (24 CFR 58.22) and Release of Funds obtained. Choice limiting actions include real property ACQUISITION, DEMOLITION, SITE CLEARANCE, REPAIR, REHABILITATION, CONSTRUCTION and LEASING activities. If you are not certain about where your project stands with regard to this statement, please contact the Environmental Review Officer.

Once the project has been reviewed and the determination is made that a project can proceed, the City must publish a notice for the project/activity, and a RROF must be completed and submitted to HUD, with subsequent approval by HUD (the Authorization to Use Grant Funds or AUGF). This process has also been adapted to the HEROS system, and will be used by the City of Kanas City in ensuring compliance with HUD regulations.

Categorical Exclusion Approval Process

Public Notice & Comment Period

Once the environmental review has been concluded, CEST activities require the publication of a Notice of Intent to Request Release of Funds (NOI-RROF) which is published in the local paper of general circulation. This notice provides the public with a 7-day window within which they can comment on the proposed use of funds. Comments received in the specified time will be responded to and incorporated into the ERR.

Submittal of Request for Release of Funds to HUD

The day after the expiration of the comment period, a "Request for Release of Funds and Environmental Certification" form is sent to HUD for authorization. This RROF is signed by the City's Certifying Officer or his/her designee, currently the Alternate Certifying Officer is Andy Savastino, the City's Chief Environmental Officer.

Objection Period & HUD Approval of RROF

The day after HUD receives the RROF, they open a 15-day Objection Period, during which time the public can object to the release of funds - if such objections meet criteria specified at 24 CFR 58.75. The day after expiration of the Objection Period, HUD approves the RROF and transmits their "Authority to Use Grant Funds" form (AUGF) to the City. Once received, the City notifies grant subrecipients that they can commit funds to, and undertake actions authorized via the environmental review. That authorization includes any stipulations identified in the review - these conditions become legal obligations of any contractual agreements associated with the project.

Environmental Assessment Approval Process

The approval process for an EA is nearly the same as the process for CEST activities. The difference is that the City must publish its Finding of No Significant Impact (FONSI), as well as a NOI-RROF. Typically, this is accomplished through a "combined notice" which simply publishes the two together. This notice provides the community a 15-day Comment Period rather than a 7-day period. Under exceptional circumstances, a 30-day period may be necessary.

Because there are many more aspects to an EA review, the process may result in several “Conditions of Approval.” Those conditions become legal obligations of any contractual agreements associated with the project and must be adhered to in order for the grantee or subrecipient to remain in compliance with their grant obligations.

On-going Compliance with Related Federal Authorities

Some CEST or EA reviews are associated with programs involving multiple properties over the course of time. These programs are designed to assist properties not identified at the time of program inception. In these cases, as sites are identified, they must be reviewed to ensure compliance with statutory or regulatory requirements not fully addressed at the time clearance was provided to the program. This “site-specific” review is in line with the NEPA concept of “Tiering.” This approach allows compliance issues to be reviewed once they are “ripe,” expediting what would otherwise be successive reviews for similar projects that would each require their own release of funds.

Examples of program-based activities that require such on-going review and compliance for site-specific projects include the following:

Activities

- Property Acquisition
- New Housing / Commercial Construction
- Housing / Commercial Rehabilitation
- Conversion of Land Uses
- Demolition

Compliance Issues

- Floodplains
- Historic preservation (i.e., Section 106)
- Noise Impacts
- Explosive hazards
- Hazardous substances
- Lead-Based Paint
- Asbestos Containing Materials

Grant recipients and subrecipients are contractually obligated to ensure that the Conditions of Approval or other required actions are carried out. Documentation of such compliance must be maintained in program/project files. Greater detail on the review process can be obtained by contacting the City's Environmental Review Officer or going to the City Website: www.https://gov/city-hall/housing/environmental-review

Tom Neff, Environmental Review Officer
Housing and Community Development Department
414 E 12th Street, 24th Floor
Kansas City, MO 64106
e-mail: tom.neff@kcmo.org
Phone: 816-513-1332
Fax: 816-513-9091



Environmental Checklist

Housing & Community Development Activities

This checklist is to be completed by the Developer/Applicant using appropriate resources and personnel. An electronic version can be supplied upon request and may be filled-out as a "Form" in Microsoft Word. A signed copy of this form is to be submitted along with the application for funding.

The City of Kansas City requests the use of maps and photographs to aid in defining the site or sites. A variety of maps may be useful in describing the environmental factors that must be investigated, such maps may include:

- Location maps that show the general layout of the area and major features and facilities in the vicinity,
- USGS topographic maps that indicate terrain,
- Sanborn Fire Insurance Maps that may show some of the previous uses of the site and surroundings,
- Zoning maps, and/or land use maps that show current and/or future community planning objectives.

Mark maps appropriately, to keep information legible and organized. Many conditions observed should be recorded directly on a site plan, so long as the footprint of structures can be clearly identified. Additionally, all conditions should be photographed and the photographs should be accompanied by a photo key. An aerial photo showing the site and community would be helpful.

Project Name: _____

Project Location: _____

Street: _____

County: _____

Brief Description of Project:

Project Contact Information

Name: _____ **Title:** _____ **Phone #:** _____

E-mail: _____ **Address:** _____ **Fax #:** _____

Date of Field inspection: _____ **By (printed name):** _____

Signature: _____

General Project Information:

1. Project is in a location described as:

- Central city Suburban Infill urban development
 In developing rural area In undeveloped area

2. Project is served by:

- Paved access Public water system Gas service
 Public sanitary sewer system Electric service
 Telephone service Cable TV

- | | Yes | No |
|--|--------------------------|--------------------------|
| 3. Is the project an addition to existing development? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are there existing buildings on the site? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is the site covered with non-agricultural vegetation? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Is the site presently being farmed? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Is the site on a scenic river? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are there sinkholes on or near the site? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Is there an existing structure on site? Date of Construction: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

Environmental Compliance Factors

Noise (*Show location on map of all the following elements*)

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Is the site within 1,000 feet of a major street/road/highway/freeway? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is the site within 3,000 feet of a railroad? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the site within 15,000 of a military airfield? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the site within 2,500 of a civil airport? | <input type="checkbox"/> | <input type="checkbox"/> |
- (ID all stop signs, stoplights, and railroad crossings along the identified major roads.)

Floodplains/Wetlands

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Is the site within a floodplain? Refer to FEMA FIRM maps | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are there drainage ways, streams or rivers on or near (w/in 1,000 feet) the site? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Are there ponds, marshes, bogs, swamps or other wetlands on or near (w/in 1,000 feet) the site? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are there soils or vegetation characteristic of wetlands on or near the site? | <input type="checkbox"/> | <input type="checkbox"/> |

Hazards, Contamination and Toxic Materials

- | | Yes | No |
|---|--------------------------|--------------------------|
| 1. Are facilities handling explosive or fire-prone materials such as liquid propane, gasoline or chemicals visible from the project site? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are there above ground storage tanks on or near the project site that are greater than 500 gallons? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the project near (w/in 1000 feet) a dump or landfill site? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the project near (w/in 1000 feet) an industry disposing of chemicals or hazardous wastes? | <input type="checkbox"/> | <input type="checkbox"/> |

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 5. Is the project adjacent to or across the street from a gasoline station? | <input type="checkbox"/> | <input type="checkbox"/> | |
| Distressed vegetation | <input type="checkbox"/> | <input type="checkbox"/> | |
| Waste material/containers | <input type="checkbox"/> | <input type="checkbox"/> | |
| Soil staining, pools of liquid | <input type="checkbox"/> | <input type="checkbox"/> | |
| Loose/empty drums, barrels | | <input type="checkbox"/> | <input type="checkbox"/> |
| Oil/chemical spills | <input type="checkbox"/> | <input type="checkbox"/> | |
| Abandoned machinery, cars, refrigerators, etc. | <input type="checkbox"/> | <input type="checkbox"/> | |
| Transformers, fill/vent pipes, pipelines, drainage structures | <input type="checkbox"/> | | |

Compatibility with surrounding development

(To note the following, use photographs, zoning or land use maps, Sanborn Fire Insurance Maps, aerial photos)

Is the project compatible with surrounding area in terms of:

- | | Yes | No | | Yes | No |
|--------------------|--------------------------|--------------------------|------------------------------|--------------------------|--------------------------|
| Land use | <input type="checkbox"/> | <input type="checkbox"/> | Texture, materials | <input type="checkbox"/> | <input type="checkbox"/> |
| Height, bulk, mass | <input type="checkbox"/> | <input type="checkbox"/> | Building type (lo/hi rises) | <input type="checkbox"/> | <input type="checkbox"/> |
| Building density | <input type="checkbox"/> | <input type="checkbox"/> | Building arrangement | <input type="checkbox"/> | <input type="checkbox"/> |
| Population density | <input type="checkbox"/> | <input type="checkbox"/> | Light/shadow and ventilation | <input type="checkbox"/> | <input type="checkbox"/> |
| Setback | <input type="checkbox"/> | <input type="checkbox"/> | Landscaping | <input type="checkbox"/> | <input type="checkbox"/> |

Demographic/neighborhood character

Will the project be unduly influenced by: *(Show photographs of the surrounding area)*

- | | Yes | No | | Yes | No |
|----------------------------|--------------------------|--------------------------|-------------------------------|--------------------------|--------------------------|
| Building obsolescence | <input type="checkbox"/> | <input type="checkbox"/> | Transition of land uses | <input type="checkbox"/> | <input type="checkbox"/> |
| Vacant buildings | <input type="checkbox"/> | <input type="checkbox"/> | Transition in density | <input type="checkbox"/> | <input type="checkbox"/> |
| Building deterioration | <input type="checkbox"/> | <input type="checkbox"/> | Non-conforming conversions | <input type="checkbox"/> | <input type="checkbox"/> |
| Postponed maintenance | <input type="checkbox"/> | <input type="checkbox"/> | Incompatible land uses | <input type="checkbox"/> | <input type="checkbox"/> |
| Obsolete public facilities | <input type="checkbox"/> | <input type="checkbox"/> | Inadequate off-street parking | <input type="checkbox"/> | <input type="checkbox"/> |
| Buildings crowding land | <input type="checkbox"/> | <input type="checkbox"/> | | | |

Site accessibility/Parks and recreation/Commercial and Retail/Transportation

- | | Yes | No |
|---|--------------------------|--------------------------|
| 1. Are there sidewalks connecting to community resources? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is public transportation service available? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the project accessible to employment? <i>(Show location on map)</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are parks/play spaces available on site or nearby? <i>(Show location on map)</i> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are commercial / retail shopping centers nearby? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are the approaches to the project convenient, safe and attractive?
<i>(Show photographs and drawings)</i> | <input type="checkbox"/> | <input type="checkbox"/> |

Public Services

Proximity

Show on a map, the distance from the site boundary to each of the following:

Nearest Police Station Distance from Site: _____ Response Time _____
 Nearest Fire Station Distance from Site: _____ Response Time _____
 Nearest Medical Facility Distance from Site: _____ Response Time _____

Does the Medical Facility have emergency facilities Yes No

Man-made hazards and nuisances (Location on map or state distances for each of the following)

Will the project be affected by:

	Yes	No	Ft.		Yes	No	Ft.
Hazardous street conditions	<input type="checkbox"/>	<input type="checkbox"/>	_____	Railroad-crossing hazards	<input type="checkbox"/>	<input type="checkbox"/>	_____
Dangerous intersections	<input type="checkbox"/>	<input type="checkbox"/>	_____	Inadequate street lighting	<input type="checkbox"/>	<input type="checkbox"/>	_____
Through traffic problems	<input type="checkbox"/>	<input type="checkbox"/>	_____	Hazards in vacant lots	<input type="checkbox"/>	<input type="checkbox"/>	_____
high volume traffic ways	<input type="checkbox"/>	<input type="checkbox"/>	_____	Chemical tank-car terminals	<input type="checkbox"/>	<input type="checkbox"/>	_____
Trucking terminals	<input type="checkbox"/>	<input type="checkbox"/>	_____				
Inadequate separation of pedestrian / vehicular traffic					<input type="checkbox"/>	<input type="checkbox"/>	_____
Children's play areas located next to freeways or other transportation routes					<input type="checkbox"/>	<input type="checkbox"/>	_____
Inadequately screened drainage/catchment structures					<input type="checkbox"/>	<input type="checkbox"/>	_____
Unscreened quarries or other excavations					<input type="checkbox"/>	<input type="checkbox"/>	_____
Other hazardous:							
- Hazardous cargo					<input type="checkbox"/>	<input type="checkbox"/>	_____
- Oil or gas wells					<input type="checkbox"/>	<input type="checkbox"/>	_____
Chemical storage					<input type="checkbox"/>	<input type="checkbox"/>	_____
- High-pressure gas Transmission lines					<input type="checkbox"/>	<input type="checkbox"/>	_____
- Sanitary landfills or mining operations					<input type="checkbox"/>	<input type="checkbox"/>	_____
- Overhead Electrical Transmission lines					<input type="checkbox"/>	<input type="checkbox"/>	_____
- Industrial operations					<input type="checkbox"/>	<input type="checkbox"/>	_____

Air quality

Are there air pollution generators nearby?

	Yes	No	Ft.		Yes	No	Ft.
Heavy industry	<input type="checkbox"/>	<input type="checkbox"/>	_____	Oil refineries	<input type="checkbox"/>	<input type="checkbox"/>	_____
Incinerators	<input type="checkbox"/>	<input type="checkbox"/>	_____	Power generating plants	<input type="checkbox"/>	<input type="checkbox"/>	_____
Large parking facilities (1000 or more cars)					<input type="checkbox"/>	<input type="checkbox"/>	_____
Heavy traveled highway (6 or more lanes)					<input type="checkbox"/>	<input type="checkbox"/>	_____

Unique natural features and areas

	Yes	No
1. Is the project near natural features such as waterfalls, bluffs or cliffs?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the project near public or private scenic areas?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are other significant natural resources visible on site or in the vicinity?	<input type="checkbox"/>	<input type="checkbox"/>

Comments (use additional sheets as necessary): _____

Appendix H – Section 3 Requirements

- **What Is Section 3 and Why Is It Important**
- **Section 3 Requirements for Applicable Action Plan Projects**
 - **Section 3 Overview**

What Is Section 3 and Why Is It Important?

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C.1701u)(Section3) and implementing regulations at 24 C.F.R.135 states the purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be consistent with existing Federal, state and local laws and regulations, be directed to low-and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-and very low-income persons. The City of Kansas City, Missouri fully embraces this definition of Section 3 and has set forth policies and procedures to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible be directed to low- and very low-income persons, and to business concerns which provide economic opportunities to low- and very low-income persons.

The City of Kansas City, as grantee for Federal community development funds, is required by HUD to develop and implement a Section 3 program which provides hiring and economic opportunities for low and very low-income persons, particularly those who are recipients of government assistance for housing and business concerns which provide economic opportunities to low-and very low income persons to achieve these objectives. Kansas City embraces the spirit and intent of its obligations under Section 3, and has set forth the following policies which are applicable to developers, contractors, subcontractors and others engaged in projects funded through the City of Kansas City Missouri with funds (*meeting the respective established thresholds of \$200,000*) sourced from HUD.

About Kansas City Policies Regarding Section 3

Kansas City's Section 3 policies require that new employment opportunities be extended to low- and very low-income residents of the area where the project is being implemented. Section 3 eligible residents are to be extended preference in new hiring situations which result from the infusion of HUD sourced funds.

These policies also require that designated Section 3 business concerns are to be extended preference in contracting, sub-contracting, purchasing and servicing activities. Further it is the policy of the City that it will not move forward with funding any project until there is an approved Section 3 Utilization Plan in place.

The City of Kansas City, Missouri has designated the **Housing and Community Development Department** as the entity with overall responsibility for implementation and monitoring of the City's Section 3 policies. The Department's Section 3 Office is located at:

Section 3 Office
Housing and Community Development Department
414 E 12th Street, 24th Floor
Kansas City, Missouri 64106
Phone: (816) 513-3044
Fax: (816) 513-9091

Section 3 Office:

The Section 3 Office is available to provide technical assistance as needed to developers and others during the process of development of Section 3 Utilization Plans. The Section 3 Office provides the developers and general contractors with current lists of Section 3 certified business concerns and certified Section 3 eligible residents seeking employment opportunities. The primary objective is to connect low- and very low-income persons with economic opportunities associated with the City's Section 3 Projects.

The Section 3 Office also is responsible for the certification of low- and very low-income persons as Section 3 eligible. Section 3 eligible residents may access the full range of training programs offered through the Full Employment Program. In addition, certified Section 3 eligible residents are made aware of hiring opportunities emanating from the City's Section 3 projects. Implementation of all Section 3 Utilization Plans which become part of the contractual documents will be vigorously monitored by the City. Failure to fulfill contractual obligations with the City pursuant to Section 3 Utilization Plans can be construed as a breach of contractual terms.

What is the Section 3 Hiring Policy?

Kansas City's Section 3 Hiring Policy is an essential component of any Section 3 Utilization Plan submitted by developers and contractors to the City for approval. Developers and contractors are expected to demonstrate in their Section 3 Utilization Plans and, through their subsequent implementation actions, that Section 3 eligible residents are included in the hiring goals and are indeed beneficiaries of the plan's hiring policies and practices. The following low- and very low-income resident hiring goals apply to all projects (submitted by developers and/or contractors) for which Section 3 guidelines are applicable:

Highest Priority: Low- and very low-income residents residing in "affected neighborhoods" adjacent or near where a project is located. Neighborhood Areas are defined as Consolidated Strategy Areas as delineated in the City's approved Consolidated Housing and Community Development Plan.

Second Priority: Other low- and very low-income residents throughout the City.

Under Kansas City's Section 3 Hiring Policy funded sub-grantees, private entities, developers and contractors will be contractually obligated to:

1. Conduct aggressive employment outreach to a number of community-based agencies for all new hires.
2. Accept and give preferential employment consideration to referred Section 3 eligible residents.
3. Provide appropriate employment outreach signage at the project site and throughout the project area to inform low- and very low-income neighborhood residents of employment opportunities.
1. Benchmark goals include the calculation of all Section 3 worker and targeted Section 3 Worker labor hours as a percentage of all labor hours worked on a project.
2. Recipients, developers, and contractors are encouraged to provide long-term employment to ensure that they meet the benchmark goals.
3. Distribute employment outreach flyers throughout the project community and with community based organizations regarding employment opportunities.

Certification of Section 3 Eligible Residents

The City through the establishment of the Section 3 Office will certify very low and low income persons as "Section 3 eligible." It is responsible for maintaining a current and accurate list of Section 3 eligible residents, and making referrals of certified Section 3 eligible residents to job and training opportunities.

Certification of Section 3 Business Concerns

The Section 3 Office will certify business concerns as Section 3 eligible. The office will maintain a current database of certified Section 3 business concerns and will make available listings of such concerns to any developer, contractor, or subcontractor interested in work pertaining to City funded (HUD sourced) projects.

Developers and Contractors Contractual Obligations:

Under Kansas City's Section 3 Business Opportunity Policy funded sub-grantees and private entities will be contractually obligated to:

1. Conduct aggressive employment outreach to Section 3 eligible business concerns for subcontracting and business opportunities.
2. Accept and give preferential business engagement consideration to Section 3 business concerns.
3. Provide appropriate employment outreach signage at the project site and throughout the project area to inform Section 3 eligible business concerns of business opportunities.
4. Document aggressive outreach efforts related to Section 3 eligible business concerns.
5. Maintain proper documentation of utilization of Section 3 eligible business concerns.

It is Kansas City's policy that funded subrecipients adhere to approved procurement and bidding procedures, and therefore no "sole sourcing" of contracts shall be allowed directly to any Section 3 Business Concern. All Section 3 Business Concerns shall be **licensed with the City** and have experience in the service to be provided to the City or its subrecipients.

What Projects Must Follow the City's Section 3 Policies?

Section 3 projects are housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000.

The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing. The requirements of Part 75 apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

What are funding thresholds and how do they apply to Section 3 covered financial assistance?

Funding thresholds are minimum dollar amounts that trigger Section 3 requirements. There are no thresholds for public housing programs. The requirements of Section 3 apply to all programs receiving public housing financial assistance regardless of the amount of assistance received from HUD. Section 3 also applies to the entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance.

Recipients of funding will also be required to comply with Section 3 regulations and report on the entirety of the project when the total amount of HUD housing and community development financial assistance to the project exceeds \$200,000.

Which recipient agencies (or sources of HUD financial assistance) are required to comply with Section 3?

As previously stated, Section 3 applies to projects with more than \$200,000 in funding from housing and community development financial assistance programs. The following is a list of examples of such funds:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership
- Housing Trust Fund (HTF)
- Neighborhood Stabilization Program Grants (NSP 1, 2 & 3)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Emergency Solutions Grants (ESG)
- University Partnership Grants
- Economic Stimulus Funds
- 202/811 Grants
- Lead Hazard Control Grants (\$100,000 threshold; see Question 12, above, in this part I of these FAQs)
- Healthy Homes Production Grants (\$100,000 threshold; see Question 12, above, in this part I)
- Rental Assistance Demonstration (RAD) (see most recent RAD Notice, found through HUD’s RAD website, www.hud.gov/rad/)

*Note: The requirements of Section 3 typically apply to recipients of HUD funds that will be used for housing construction, rehabilitation, or other public construction.

Kansas City’s Commitment to Section 3 Goals

Kansas City sets overall Section 3 employment and contracting goals annually through the Consolidated One Year Action Plan which is submitted to HUD for approval. The current Section 3 goals are as follows:

1. **Employment:** Seventy-five (75%) of the construction labor hours, for a business, over the past three months are performed by low-income persons.

The City will review Section 3 Utilization Plans and provide determinations within 7 to 10 work days or as based on the complexity of the project.

Assuring Compliance with Section 3 Policies

Assuring compliance with Section 3 Policies involves affirmative measures on the part of many.

Developers, Contractors and Subcontractors

- Shall submit a Section 3 Plan reflective of the City’s stated Section 3 goals;
- Shall implement an approved Section 3 Plan meeting the stated Section 3 utilization goals (hiring and contracting);
- Shall document all aspects of implementation of their approved Section 3 Plan; and
- Shall submit required reports in a timely manner. (Proper documentation supporting the reports should be maintained for compliance monitoring reviews.)

Section 3 Requirements for Applicable Action Plan Projects

When the City Council has acted and approved a submission of a One-Year Action Plan to HUD, it is time for the included projects to develop an actual Section 3 Utilization Plan for the project. **Approved Section 3 Utilization Plans will become a part of the recipient's contract with the City of Kansas City, Missouri.**

Business concerns that submit bids on HUD funded projects through the Housing and Community Development Department must submit a Section 3 Utilization Plan for approval by the City.

As part of the bidding process, Section 3 utilization plans are to be developed and submitted to the City to demonstrate commitment to Section 3 utilization; this will be a factor in the bid selection process. The successful bidder will then have an opportunity to finalize the Section 3 plan so that the plan that is approved by the Section 3 Office can become a part of the set of contractual documents with the City.

The following is applicable to the development of Section 3 Utilization plans for the bidding process:

Key Elements of a Section 3 Utilization Plan:

1. Section 3 Utilization plans must be, at a minimum, reflective of the City's Section 3 Goals which are indicated below. The current Section 3 goals for the City of Kansas City Missouri are as follows:
 - Preference should be given to Section 3 designees for sub-contracting and hiring.
 - Minimum of 10% of the total construction costs should be awarded to Section 3 business concerns. Letter of Intent (LOI's) must be signed and notarized by General Contractor (GC) and all contractors on the project.
2. If a Section 3 sub-contractor must be replaced (for any reason), the replacement must be another Section 3 sub-contractor. A revised Section 3 plan must be submitted with the following:
 - The Developer Request for Modification or Substitution form must be submitted to the Section 3 Administrator. A detailed explanation should specifically address why the Developer, or its General Contractor is requesting to modify the plan or substitute a Section 3 certified firm.
 - The General Contractor must complete LOI's with the replacement Section 3 contractor(s) and submit with the revised plan.
3. If a Section 3 business concern is participating as a Supplier, the following applies:
 - Supplier Manufacturer business is credited with 100% participation
 - Supplier Merchant Wholesaler is credited with 60% participation (has warehouse with inventory and delivers)
 - Supplier Broker credited with 10% participation (calls around for material & supplies and arranges to have order delivered directly to job site.)
4. Businesses that are certified Section 3 and M/WBE cannot be used to fulfill both sets of goal requirements using identical scopes of work. The business concern must have two separate contracts with different scopes of work if the Developer/Prime wants to use the same contractor for both Section 3 and M/WBE on one project.

5. Section 3 utilization goals for the Consolidated Plan Project must be clearly stated. This cannot be over emphasized.
6. Designation of someone within the project's organization as the Section 3 coordinator. This will be the person within the recipient organization responsible for making sure that the project adheres to the City's Section 3 requirements and the project's Section 3 Utilization Plan as set forth in the City's contract.

Documentation and Outreach Requirements

All bid announcements and complete specifications for Section 3 applicable projects and funded activities that are included in the Action Plan must be received by the following offices ten business days prior to the bid closing date:

Section 3 Office

Housing and Community Development Department

414 E 12th Street, 24th Floor

Kansas City, Missouri 64106

Phone: (816) 513-3044

Fax: (816) 513-9091

Minority Contractors Association

3200 Wayne, Suite 202

Kansas City, Missouri 64109

816.924.4441

Asian American Chamber of Commerce of Kansas City

8645 College Blvd, Suite 110

Overland Park, Kansas 66210

913.338.0774

Heartland Black Chamber of Commerce

600 Minnesota Ave.

Kansas City, Kansas 66101

913.948-7680

Hispanic Chamber of Commerce of Greater Kansas City

107 W10th Street

Kansas City, Missouri 64105

Submit copies of bid notifications to Section 3 Office

Copies of all bid notices are to be sent to the Section 3 Office.

Mail to:

Section 3 Office

Housing and Community Development Department

414 E 12th Street, 24th Floor

Kansas City, Missouri 64106

Phone: (816) 513-3044

Fax: (816) 513-9091

Note: All Contractors are required to document that outreach notices have been placed in the *Kansas City Call* and *Dos Mundos* Newspapers (bid announcements), *KC Star*, Webpages, Emails or other publications. A

Good Faith effort to reach-out to various parts of the community must be established to demonstrate that the contractor has attempted to obtain employees from the project area or from other resources within the community.

Signage

Section 3 signage is required for construction projects. The sign must be large enough to be visible from the street. The sign must: (a) identify the name of the development project; (b) state “This is a HUD Section 3 Project”; and (c) provide contractor contact information including name and a telephone number.

Record Maintenance and Documentation

All projects which are subject to Section 3 guidelines are required to maintain comprehensive documentation of their Section 3 outreach efforts and implementation activities. There should be clearly maintained Section 3 documentation files available to be produced to and reviewed by City and/or HUD officials.

Monthly Reporting

Section 3 reporting will be required by the City on a monthly basis for Section 3 activity on City projects. The Section 3 Administrator will be in contact with developers, contractors, and subcontractors in regards to the required reporting schedule and format. Reporting shall be submitted on-line via the B2Gnow system located on the Civil Rights and Equal Opportunity Department (CREO (formerly, the Human Relations Department) webpage at <https://kcmohrd.mwdbe.com/>. *Please note that, in an effort to streamline and create operational efficiencies, CREO has replaced its hardcopy reporting forms with an electronic monitoring and software system called B2Gnow.* This new system was chosen so that the Section 3 Office could better expedite processes and create transparency. **Reporting must be done by prime contractors no later than the 15th of each month. Subcontractors have 10 days after the prime contractor reported to go into the B2Gnow reporting and monitoring system and verify their payments.**

Compliance Monitoring and Reviews

Both the Civil Rights and Equal Opportunity Department, Contract Compliance and the Section 3 Office staff will conduct regular and ongoing compliance reviews which consist of comprehensive analysis and evaluation of the recipient's or contractor's compliance with Section 3. Since the source of these funds is HUD, Federal and City officials maintain the right and responsibility to conduct Section 3 Compliance reviews which may involve any and all Section 3 projects in the City's Consolidated Plan. Where noncompliance is found, the City will notify the recipient or contractor of the deficiency and recommendations for corrective actions. A finding of noncompliance by the City or HUD may result in sanctions based on the program under which the Section 3 covered assistance was funded.

City Resources to help with Section 3 Utilization Plan Implementation

Item 1: Section 3 Resident Certifications Requirements

A Section 3 targeted worker for Housing and Community Development Financial Assistance project is a Section 3 worker who:

- 1) is employed by a Section 3 business concern; or
- 2) currently fits or when hired fit at least one of the following categories, as documented within the past five years:
- 3) Living within the service area or the neighborhood of the project, as defined in 24CFR § 75.5; or
- 4) A YouthBuild participant.

The list of Section 3 Certified Residents with indication of skills and experiences can be obtained by contacting, the **Housing and Community Development Department.**

Item 2. Section 3 Certified Business Concerns Requirements

A Section 3 business concern is a business that meets at least one of the following criteria, documented within the last six-month period:

- 1) At least 51 percent owned and controlled by low- or very low-income persons;
- 2) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
- 3) A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

The List of Certified Section 3 Business Concerns can be obtained by contacting the Housing and Community Development Department and a list of the Certified Section 3 Business Concerns are also available on line at kcmo.org.

Section 3 Procedures for all Developers and Contractors seeking funds from the City of Kansas City, Missouri.

Developers and contractors who intend to seek HUD funds from the City of Kansas City, Missouri should clearly understand that Section 3 obligations and requirements accompany any commitment of City funding meeting or exceeding the Federal threshold. It is important for all developers to understand that the infusion of any HUD sourced dollars through the City of Kansas City, Missouri into a project at *any point in a project* and at any level exceeding the Federal thresholds triggers the full applicability of Kansas City's Section 3 Policies to the entire project.

Policy & Procedures

The Section 3 Utilization Plan must include specific information regarding the following:

- Identification of the Project Area
- Specific Information about the current workforce
- Specific plan for hiring Section 3 eligible residents
- Specific plan for engaging Section 3 designated business concerns
- Firm commitment to include as part of all bids the Section 3 Plan (once approved by the City) which identifies activities to comply with the Section 3 Program and the City's Section 3 Clause in all subcontracts
- Firm commitment to conduct aggressive outreach and notification to potential Section 3 residents and businesses of hiring opportunities using site signage, flyers, etc.
- Firm commitment to provide identified area employment agencies information of jobs available from the established job pool of Section 3 area residents.

Once the Section 3 Utilization Plan has been submitted, the City's Section 3 Administrator will review the Plan and provide feedback within 7 to 10 working days. If the Section 3 Plan is not approved, notification will include review comments which will identify deficiencies in the plan. The City will not move forward with any contractual commitment of funding to a project without an approved Section 3 Utilization Plan. Applicants will be given an opportunity to revise plans in accordance with the **Housing and Community Development Department**. When the Section 3 Plan is approved, it will become part of the set of contractual documents with the City.

Once the General Contractor and subcontractor are selected, the City will require the recipient (borrower/developer) to submit additional components of the Section 3 Plan that outlines how all Section 3 Contract goals will be met. This plan will consist of anticipated hard numbers and dollar amounts for the employment of Section 3 residents and the utilization of Section 3 businesses. After the plan is approved, it will be reviewed and monitored regularly to evaluate the specific project's success and failures in obtaining the Section 3 Project goals.

Section 3 Overview

Goals of the Section 3 Contract

HUD regulations (24 C.F.R., Section 135) establish goals requiring that recipients of housing and community development funds and their contractors show that 30% of any newly hired employees each year come from targeted low- and very low-income population which includes public housing residents, residents of the neighborhoods (including the homeless in which Section 3 Projects are located, participants in YouthBuild programs, and other low-income individuals). Recipients must also commit to allocate at least 10% of building trades contracts and 3% of all other contracts to businesses certified as Section 3 eligible business concerns. These Federal mandates apply to all Section 3 contracts with the City of Kansas City, Missouri and specific actions to achieve these goals are essential for a Section 3 Utilization Plan to receive approval by the City.

- **All sub-contractors which are awarded contracts over \$200,000 must complete a Section 3 plan for their individual contract:**
- **Meaning sub-contracting a minimum of 10% of their individual contract(s) to a certified Section 3 business(es).**
- **Primes must sign LOI's with the Section 3 sub-contractor(s) and submit with their Section 3 Plans.**

SECTION 3 DEFINITIONS

Applicant means 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, Indian housing authority, Indian tribe, 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 (CHDO), resident management corporation, resident council, or cooperative association.

Business concern means a business entity formed in accordance with state law, and which is licensed under state, county or municipal law engages in the type of business activity for which it was formed.

Business concern that provides economic opportunities for low- and very low-income persons. See definition of "Section 3 business concern" in this section.

Contractor means 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.

Department or HUD means the U.S. Department of Housing and Urban Development, including its Field Offices to which authority has been delegated to perform functions under this part.

Employment opportunities generated by 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 135.3(a) (2), including management and administrative jobs connected with the Section 3 covered project. 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 specialists, payroll clerk, etc.

Housing and community development assistance means 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.

JTPA means the job Training Partnership Act (29 U.S.C. 1579(a).

Low-income person. See the definition of “Section 3 resident” in this section.

Neighborhood area means:

- A. For HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designed in ordinances, or other local documents as a neighborhood, village, or similar geographical designation.
- B. For HUD community development programs, see the definition, if provided, in the regulations for the applicable community development program, or the definition for this term in 24 CFR 570.204(c)(1).

New hires mean full-time employees for permanent, temporary or seasonal employment opportunities.

Recipient means 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, IHA, Indian Tribe, 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 any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

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

Section 3 business concern means a business concern, as defined in this section.

1. At least 51 percent owned and controlled by low- or very low-income persons;
2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
3. A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Section 3 clause means the contract provisions set forth in 24 CFR 135.38.

Section 3 covered contract means 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. "Section 3 covered contracts" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "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. For example, a contract for the purchase and installation of a furnace would be a section 3 covered contract because the contract is for work (i.e., the installation of a furnace) and thus is covered by section 3.

Section 3 covered project means 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) assisted with housing or community development assistance.

Section 3 resident means: (1) A public housing resident; or (2) An individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended, and who is:

- (i) *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
- (ii) *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.

SECTION 3 CONTRACT 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. Contractor agrees to comply with HUD's regulations in 24 CFR, Part 135, which implement Section 3. As evidenced by its execution of this Contract, the Contractor certifies that it is under no contractual or other impediment that would prevent it from complying with the Part 135 Regulations.
- C. The Contractor agrees to send to each labor organization or representative of 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 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 regulation 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.

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

Appendix I

MBE/WBE & Construction Employment Programs

NOTE: Any construction related applications requesting more than \$300,000.00 and all other applications more than \$117,000.00 will need to submit the following documents:

1. Minority and Women’s Business Enterprises. The City is committed to ensuring that minority and women’s business enterprises (M/WBE) participate to the maximum extent possible in the performance of City contracts. If the applicant is requesting funding exceeding the M/WBE dollar thresholds described above, applicant will be required to submit a contractor utilization plan, consisting of the following:

[HRD 06 RFQ/P Instructions](#)

[00450 HRD 08 RFP Contractor Utilization Plan Request for Waiver](#)

[HRD 13 Affidavit of Intended Utilization 050113](#)

[00450.01 HRD Letter of Intent to Subcontract](#)

Exceptions to the MBE/WBE requirements are as follows:

- a. Personal services contracts;
- b. Emergency contracts; and
- c. Accounts in the nature of petty cash funds.

2. Construction Employment Program. The City has adopted a Construction Employment Program (Sections 38-83.1 through 38-83.13, Code of Ordinances) (the “Program”) to implement the City’s policy of supporting the fullest possible utilization of minority and women workers in the construction industry. A person or firm who is awarded a contract to construct, reconstruct, improve, enlarge or alter any fixed work that is estimated by the City prior to solicitation as requiring more than 800 construction labor hours, has an estimated cost that exceeds \$300,000.00, and involves the expenditure of public funds, is subject to company-wide construction employment goals. The minimum goals are currently set at 10% for minorities and 2% for women, but public recognition may be provided if the Proposer achieves at least twice the minimum participation. The successful Proposer may meet these company-wide goals by counting the Proposer’s utilization of minorities and women throughout the Kansas City metropolitan statistical area. Contractor shall carry out the program by implementing its workforce utilization plan and submitting the following documents:

[00485.02 Project Workforce Monthly Report 050113](#)

[00485.03 Company-Wide Workforce Monthly Report 050113](#)

For additional information on the above, please contact Mark Runge of the Civil Rights and Equal Opportunity Department, mark.runge@kcmo.org or (816) 513-1811, or visit the website at hrdcontractcompliance@kcmo.org