

Appendix 2

INSTRUCTIONS FOR COMPLETING THE ACTIVITY SUMMARY
FORM HUD-4949.2/4949.2a

The purpose of the Activity Summary form is to provide information on each activity for which CDBG funds were available during the reporting period, including a description and information on classification, location, funding, beneficiaries, and accomplishments. Two versions of the Activity Summary form have been developed for reporting this information. Form 4949.2a is to be used to report public service activities and activities that are subject to the direct benefit reporting requirement. Form 4949.2 is to be used to report all other activities.

This appendix contains instructions for completing both versions of the Activity Summary form. The instructions in section A pertain to all activities. Section B contains additional instructions that only relate to reporting direct benefit and public service activities. Direct benefit activities are activities from which the benefit flows primarily to specific persons or households, such as housing rehabilitation and assistance to for-profit businesses.

There are also seven exhibits. Exhibit 2a provides a matrix that identifies permissible national objectives for each of the eligible activities. Exhibit 2b contains examples of completed form 4949.2; exhibit 2c contains examples of completed form 4949.2a; and exhibit 2d provides an example of completed form 4949.2 that includes the grantee's unprogrammed balance of funds. Exhibit 2e provides an example of the narrative on displacement/tenant assistance/relocation. Exhibit 2f provides an example of the narrative required for job creation/retention activities. Exhibit 2g provides an example of the narrative required for a low- and moderate-income limited clientele activity that meets the presumed benefit criteria and for which no personal or income records are maintained.

HEADING

Complete the headings (name of grantee, etc.) in accordance with the instructions found in Chapter 1, paragraph 1-5.a., and also on the back of the Activity Summary form.

2-1

7/93

 6510.2 REV-2

Appendix 2

TABLE

Complete the table in accordance with the instructions below.

SECTION A - INSTRUCTIONS FOR ALL ACTIVITIES

Column a ACTIVITY NUMBER: Assign a different number to each activity listed in column b. If activities were numbered in the Final Statement, use the same number for the activities in this report.

NOTE: Only one activity number may be assigned to each activity. If an activity is not completed or canceled during the reporting period, the same activity number is to be used in subsequent reports for that activity. Once an activity is completed or canceled, the activity number shall not be re-used.

Column b ACTIVITY NAME, DESCRIPTION, AND LOCATION

ACTIVITY NAME: Identify each specific activity for which CDBG funds have been budgeted and that has not been reported as completed or canceled in a previous GPR. Certain activities must continue to be reported even if all CDBG expenditures have been completed. (See pages 2-16/17 and 2-19 for further details.) Using one of the standard eligible activity titles listed below, identify each activity and provide the applicable regulatory citation. If the activity is eligible under the statute but a specific regulatory provision has not yet been provided for it, identify the section of the statute. (See Section 105 of Title I of the Housing and Community Development Act of 1974, as amended, and 24 CFR 570 Subpart C, Eligible Activities, for a complete description of these activity categories.) Information can also be obtained from the HUD publication, Guide to Eligible Activities. Note: While some activities may qualify under more than one category, it is the grantee's responsibility to designate the category it believes is most appropriate.

Exhibit 2a, the National Objective Matrix (page 2-30), identifies the codes used by HUD to classify expenditures of CDBG funds for the Annual Report to Congress. To ensure that activities are properly classified, grantees are required to insert the

appropriate code from the matrix in the space provided on the 4949.2/2a. (Note: only one code is to be used for each activity.) The matrix also indicates certain combinations of national objective and eligibility categories that HUD does not believe are acceptable under program rules. Therefore, one use to which the matrix may be put is to facilitate identifying

activities that should be closely scrutinized.

Section 108 guaranteed loan fund activities are to be listed according to the standard activity titles, but Section 108 guaranteed loan fund payments are not considered activities and are not to be reported on the Activity Summary form but rather on line 11, Financial Summary, form HUD-4949.3.

Activity Titles:

- (1) Acquisition of Real Property - 570.201 (a)
(List each property for which funds have been budgeted and identify the planned use of the property, e.g., Acquisition for New Housing, Acquisition for a Neighborhood Park, etc.).

Note: Real property acquired for the purpose of carrying out another CDBG-funded activity should be identified under the activity title for such CDBG-funded activity. It should not be identified as an acquisition activity. For example, when land is acquired for a neighborhood facility to be constructed using CDBG funds, the cost of land acquisition should be included with the cost of the neighborhood facility.

- (2) Disposition - 570.201(b)
(List property acquired with CDBG or urban renewal funds which was disposed of through sale, lease, donation, or otherwise during the reporting period. Includes temporary maintenance of property acquired with CDBG or urban renewal funds for a public purpose pending its disposition).
- (3) Public Facilities and Improvements - 570.201(c)
(List each facility or improvement separately, describing the type, such as street improvements

or construction of a senior center).

- (4) Clearance Activities - 570.201(d)
(List each clearance or demolition activity by address, if known, and, where applicable, the number of units. Include the movement of structures to other sites)
- (5) Public Services - 570.201(e)
(List separately each public service

activity, e.g., assistance to battered and abused spouses; tenant/landlord counseling; child care; emergency shelter assistance; etc. Where applicable, identify the name of the subrecipient as the subtitle and indicate whether it is a public or private non-profit entity).

Note: Public service activities carried out under 570.204 by a special subrecipient should be identified under activity title (19), Special Activities by Certain Subrecipients, and not under this category. The instructions under activity title (19) provide further detail.

- (6) Interim Assistance - 570.201(f)
(List each interim assistance activity undertaken as a prelude to permanent improvements where it has been determined that immediate action is needed to arrest deterioration; and where immediate action is necessary to alleviate emergency conditions threatening public health and safety, e.g., emergency street repair; execution of special garbage, trash, and debris removal; storm drain improvements; etc.).
- (7) Urban Renewal Completion - 570.201(h)
(List each specific activity that was carried out to complete a federally approved urban renewal categorical grant project funded by the Housing Act of 1949, as amended. Identify the renewal

project by name and number).

- (8) Relocation - 570.201(i)
(List each activity that involved, or is expected to involve, displacement. As a cross reference, provide the activity numbers(s) of the CDBG-assisted activities which are expected to generate relocation activity. Also, list any non-CDBG-assisted activity for which CDBG funds will be used to make relocation payments. For each project or activity, (a) estimate the number of households, businesses, nonprofit organizations,

and farms expected to be relocated; (b) indicate whether owners or tenant; (c) whether the relocation will be temporary or permanent; (d) estimated cost of the relocation; and (e) identify the organization administering the relocation requirements if other than the grantee.)

- (9) Loss of Rental Income - 570.201(j)
(List by address each payment made to housing owners for losses of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by program activities).
- (10) Removal of Architectural Barriers - 570.201(k)
(List each activity in which the primary purpose is the removal of material and architectural barriers to buildings, facilities, and improvements).
- (11) Privately-Owned Utilities - 570.201(l)
(List each type of utility activity that was carried out, e.g., electrical lines; gas lines; co-generation; etc.).
- (12) Construction of Housing - 570.201(m)
(List separately each use of CDBG funds to finance or subsidize the construction of new permanent housing assisted under the HoDAG program, and any new permanent housing provided under the URA last resort housing provisions in 49 CFR Part 24 (paragraph 3-6 of HUD Handbook 1378))

Appendix 2

Note: If housing construction is carried out by a special subrecipient, report it under activity title (19), Special Activities by Certain Subrecipients, showing "Construction of Housing" as the subtitle. The instructions under activity title (19) provide further detail.

- (13) Direct Homeownership Assistance - 570.201(n)
(List each direct homeownership assistance activity eligible under 570.201(n). Funds used under this activity title may be used to finance acquisition; subsidize interest rates and mortgage principal amounts; acquire guarantees for mortgage

financing from private lenders; provide up to 50% of a downpayment; and pay reasonable closing costs).

Note: Homeownership assistance activities carried out by one of the three types of special subrecipients identified in 24 CFR 570.204 are to be reported under activity title (19), Special Activities by Subrecipients, showing "Direct Homeownership Assistance" as the subtitle. See activity title (19) for further instructions.

(14) Rehabilitation - 570.202
(List each rehabilitation activity carried out grouped according to one of the subtitles listed below. Note that rehabilitation programs must be identified separately if they are designed to meet different national objectives, e.g., those designed to meet slum/blight criteria must be listed separately from those designed to meet the low/mod housing national objective):

- . Single-unit residential;
- . Multi-unit residential (including publicly-owned housing);
- . Publicly or privately owned commercial or industrial buildings (limited to facade improvements and code violation corrections

- if owned by a private for-profit business);
and
- . Activity delivery costs for each rehabilitation activity, as described below.

Housing activity delivery costs include staff and overhead costs directly associated with carrying out acquisition, rehabilitation, conversion, reconstruction or construction of property for housing.

Single-unit housing activity delivery costs may be included in the cost of the activity or aggregated and identified independently. Aggregate activity delivery costs related to single-unit housing under the low/mod national objective must be identified separately from those supporting the

slum/blight objective.

Multi-unit housing activity delivery costs may not be aggregated but must be included with the expenditures reported for each structure.

CDBG expenditures for activity delivery costs in support of housing activities under the Rental Rehabilitation, HOME or HOPE programs where no other CDBG funds are used in the activity should be shown as a separate activity with the costs reported either separately by program or aggregated. They are to be credited in their entirety for purposes of the overall benefit calculation because of the targeting requirements of these programs.

- (15) Code Enforcement - 570.202(c)
(List each code enforcement activity by target area, identifying the specific geographic boundaries of each target area, as well as the census tract(s)/block group(s) in the area and the percentage of low/mod persons residing in the area. Enter only those activity costs that pertain specifically to property inspection and follow-up action, such as legal proceedings.)

Note: CDBG funds used to correct code

2-7

7/93

6510.2 REV-2

Appendix 2

violations are to be reported under the appropriate activity heading, e.g., demolition or rehabilitation.

- (16) Historic Preservation - 570.202(d)
(List each historic preservation activity site or structure by address. Indicate whether the activity is residential or non-residential).
- (17) Commercial or Industrial Improvements by Grantee or Nonprofit - 570.203(a)
(List each activity by location. This category includes the acquisition of land by the grantee/nonprofit for commercial or industrial use. Indicate whether the activity was undertaken by the grantee or a nonprofit. Identify the name of the non-profit as the subtitle).
- (18) Direct Economic Development Assistance to a Private For-Profit Business - 570.203(b)

(List separately each for-profit business that received CDBG assistance (financial or technical). Identify what the assistance is to be used for, e.g. rehabilitation; working capital loan; etc.).

If CDBG funds were used to pay the administrative costs of a subrecipient that lends non-CDBG funds to businesses, e.g., an SBA CDC, show that as a separate activity.

Note: If assistance is provided through a special subrecipient, report it under activity title (19), Special Activities by Certain Subrecipients, showing "Direct Economic Development Assistance to a Private For-Profit Business" as the subtitle. The instructions under activity title (19) provide further detail.

- (19) Special Activities by Certain Subrecipients - 570.204
(This category includes all activities that are carried out by a neighborhood-based nonprofit organization, SBIC, or local development corporation pursuant to 24 CFR 570.204(c). Identify the name of the subrecipient as the subtitle. Identify each specific activity carried

out by the subrecipient and supported with CDBG funds.

When reporting these activities on the HUD-4949.2/2a, first report activities which are eligible when not carried out by one of these three types of subrecipients (otherwise eligible); then report those that are ineligible unless carried out by one of these three types of subrecipients. If an activity is eligible under one of the other activity titles identified in this section, include the activity title in the description.

If any such activity is subject to the public services cap, include the amount of unliquidated obligations in column r of the 4949.2a (Summary of Activities Having Direct Benefit). If the activity is eligible as Direct Homeownership Assistance under activity title (23), it is not subject to the public services cap. Other homeownership assistance activities are subject to

the public services cap.

- (20) Planning - 570.205
(List each planning or capacity building activity carried out and enter the local name of the activity, e.g., Midtown Community Redevelopment Plan; an analysis of Impediments to Fair Housing Choice; etc.).
- (21) Program Administration - 570.206
(List each program administration activity carried out under each of the titles provided below, as applicable):
- . General management, oversight, and coordination;
 - . Public information;
 - . Fair housing activities;
 - . Indirect costs;
 - . Submissions or applications for Federal programs; and
 - . General administrative expenses for the Rental Rehabilitation, HOME, or HOPE programs (for HOME limited to expenses incurred prior to October 28, 1992).

2-9

7/93

6510.2 REV-2

Appendix 2

Note: For Planning and Program Administration, complete only columns a, b, f, g, and h.

- (22) Unprogrammed Balance
(The unprogrammed balance of funds is to be calculated by deducting the total amount budgeted on the Activity Summary Forms from the total amount of funds a grantee considered as a resource in its final statement(s), including any amendments, and that had not been reported as expended as of the end of the preceding program year. Determine if an unprogrammed balance of funds remains at the end of the program year by using the format provided on page 3-11. Report the results of this calculation on the Activity Summary, HUD-4949.2, by entering a line titled "Unprogrammed Balance" in column b, Activity Description, and the amount of any balance (or zero) in column f, Accomplishments. An example is provided as exhibit 2d.

NOTE: Grantees are required to report their unprogrammed balance of funds on the HUD 4949.2, but this amount is not to be reported in column g

because the funds have not been budgeted. Also, the calculation of the unprogrammed balance is to be included as part of the reconciliation information required to be submitted in support of the Financial summary (see page 3-11).

ACTIVITY DESCRIPTION: Provide a concise description for each activity. The activity should be described with sufficient detail to permit a clear understanding of the nature and eligibility of the activity. Also, identify the organization carrying out the activity if other than the office administering the CDBG program. If a subrecipient is carrying out the activity, provide the name of the subrecipient and indicate whether it is a public or private nonprofit.

Note: Where CDBG-assisted activities are designed specifically to address an outstanding noncompliance finding or court order based on a fair housing and equal opportunity law, note this in the activity description.

7/93

2-10

6510.2 REV-2

Appendix 2

If an activity involves assistance in the form of a guarantee of payment of indebtedness incurred by another party (loan guarantee), the description shall include the amount of the contingent liability that may be required to be paid with CDBG funds. (For example, if a grantee guarantees up to 20% of any losses incurred by a lender as a result of a loan in the amount of \$1,000,000, the description shall specify a contingent liability of \$200,000.)

Additional requirements for Activity Description:

A. If the activity benefits low- and moderate-income persons or addresses slum/blight on an area basis, provide the following additional information as applicable.

1. For Low/Mod Area Benefit Activities:

a. Identify the census tracts and/or block groups that are reasonably coterminous with the service area. Each activity of the same type having a different service area must be shown separately. If the service area includes entire census tracts, do not list the block groups within such tracts. If the service area

contains less than a complete tract,
list only the block group(s) most nearly
covered by the service area; and

- b. Identify the percentage of low/mod
persons residing in the service area.

Note: All grantees must provide this
information in accordance with the
General Instructions in Chapter 1,
paragraph 1-5.b. of this Handbook.
If the grantee relied on
information in addition to
HUD-provided census data, describe in
column b the alternate source used.
If the grantee conducted a survey
not previously submitted to HUD,
attach to the GPR a copy of the
methodology used (including the
survey instrument) and the results

2-11

7/93

6510.2 REV-2

Appendix 2

obtained.

2. For Slum/Blight on an Area Basis:

- a. Identify the boundaries of the
designated area;
- b. Identify the percent of buildings that
were deteriorated when the area was
designated as a slum/blighted area for
CDBG purposes and the actual year of the
designation;
- c. If qualifying on the basis of the
condition of public improvements,
identify each type of improvement
located within the area and describe
their condition immediately prior to
designating the area.

B. For Multi-Unit Housing Activities (including acquisition, new construction, conversion or rehabilitation):

- 1. Separately list each multi-unit structure by
property address, identify the total number
of units and the number of units occupied at
the start of the activity, if any.
- 2. For those multi-unit housing activities

identified as meeting the low/mod income housing national objective, the following additional information must also be provided:

- a. The number of units occupied by low/mod households prior to initiating the activity, if any; the number of units to be occupied by low/mod households at completion of the CDBG-assisted activity; and the percent of the total number of units in the structure to be occupied by low/mod households. (If the number of units at completion of the activity will be different from the number of existing units, report this difference).
- b. The anticipated total cost of the

7/93

2-12

6510.2 REV-2

Appendix 2

activity, taking into account all sources of funds to be used in completing the activity, including any contribution to be made by the owner, and the CDBG share of that cost. (Note: do not report non-CDBG funds in columns g and h.)

Note: The total cost of a multi-unit housing activity is the amount expended or expected to be expended from all public and private sources and across all years for the activity. For housing rehabilitation and new housing construction this includes the cost of all work from design and engineering through completion of the physical improvements and, if integral to the project or where property is acquired to be used for housing, the total cost of acquisition of the property.

- C. For activities that involve Direct Economic Development Assistance to Private For-Profit Businesses, provide the following additional information, as applicable:
 1. If the assistance is in the form of a loan, provide the total loan amount, the interest rate and the length of the repayment period

in months or years.

2. For Low/Mod Job Creation/Retention Activities:

- a. Identify the total number of permanent full-time jobs to be created or retained (indicating whether to be created or retained), followed in parenthesis by the number of such jobs expected to be held by or made available to low/mod persons. Indicate the titles of the specific jobs to be created or retained. (If necessary, provide the information on a separate page immediately after the Activity Summary form).

2-13

7/93

6510.2 REV-2

Appendix 2

- b. Provide equivalent information for permanent part-time jobs, including the number of hours per week for each job (for purposes of converting to full-time equivalents)

D. If any activities involve the acquisition, rehabilitation, or demolition of occupied real property, a narrative must be submitted that identifies the activities and that provides:

1. A description of the steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.
- 2a. A description of the steps taken to (i) identify households, businesses, farms, or nonprofit organizations who occupy the site of a CDBG-assisted project subject to the requirements of the Uniform Relocation Act (URA) or Section 104(d), and whether or not they were displaced, and (ii) determine their needs and preferences.
- 2b. A description of the steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations. Identify the entity issuing these notices in connection with projects carried out by a third party if the grantee is not doing it.

ACTIVITY LOCATION: Provide a street address or other locational information indicating specifically where

the activity was (or is being) carried out. For public facility activities such as street reconstruction or sewer lines not located at a specific street address, provide beginning and ending points, e.g., Dennison Street from 3rd to 8th Street.

Note: An activity location is not required for units of single-unit housing nor for Planning or Administration activities. Additionally, grantees are not required to report locational information for those specific CDBG activities where there is an issue of safety or security, e.g., shelter for

7/93

2-14

6510.2 REV-2

Appendix 2

battered spouses, but the grantee must keep such information on record for review/inspection by authorized federal officials.

Column c DATE INITIALLY FUNDED: Enter the month and year the grantee initially obligated CDBG funds for the activity, e.g., 10/91. If funds have not yet been obligated to an activity, make no entry in this column. Funds are considered obligated when the grantee or subrecipient places orders, awards contracts or grants, receives goods or services, or completes similar transactions that require payment by the grantee in the future. A grantee's promise to a neighborhood group is not an obligation unless a written contract has already been executed.

Note: Each annual funding increment of an on-going activity having accomplishments that can be logically separated, such as a rehabilitation loan program, may (at the grantee's option) be reported as a component of that activity. The sub-activity description would be listed in column b and information on each annual funding increment would be reported in columns c through h (and column r if the sub-activity is a public service and there are unliquidated obligations).

Column d NATIONAL OBJECTIVES: For each activity except for Planning or Administration, enter the national objective code the grantee claims credit for from one of the following three national objective categories (also identified at the bottom of the Activity Summary form). Only one national objective code is to be reported in column d. Exhibit 2a contains a matrix of CDBG eligible activities that indicates which national

objectives generally are not permissible for each of the listed activities.

Low/Mod. Enter the code:

"LMA" for low/mod area benefit activities;
"LMC" for low/mod limited clientele activities;
"LMH" for low/mod housing activities; or
"LMJ" for low/mod job creation or retention activities.

Note: While an activity may, in addition to meeting

2-15

7/93

6510.2 REV-2

Appendix 2

the low/mod criteria, meet one of the other criteria below, the activity should only be identified as an activity that benefits low/mod persons if the grantee wants credit for activity expenditures towards the 70% overall benefit requirement.

Slum/Blight. Enter the code:

"SBA" for slum/blight activities on an area basis;
"SBR" for slum/blight activities to complete an urban renewal plan; or
"SBS" for slum/blight activities on a spot basis.

Urgent Need. Enter the code:

"URG" for urgent need activities.

Note:

For acquisition activities, the national objective is to be based on the use of the property after acquisition. The determination of which national objective the activity will meet is to be based on the planned use of the property. Any short-term, temporary use must also meet a national objective, but a final determination shall be based on the actual use of the property. The activity must continue to be retorted each year until a national objective is met based on the actual use of the property.

Column e ACTIVITY CODES: For each activity listed in column b, select one of the following three activity status codes. If funds are budgeted but have not yet been obligated for the activity, leave this column blank.

CANC Canceled Activity: The activity was canceled during the program year. The activity has not and will not be completed and all funds that were not expended or obligated have been

reprogrammed to another activity or are reflected in the unprogrammed balance.

COMP Completed Activity: The activity is completed and does not have to be reported in subsequent GPRs when all CDBG funds allocated to the activity have been expended, all work to be undertaken in carrying out the activity

7/93

2-16

6510.2 REV-2

Appendix 2

has been completed, and all the requirements for meeting one of the national objectives have been addressed. For example, multi-unit housing activities must continue to be reported until all units are occupied; real property acquisition activities until the actual planned use is complete; and job creation activities until all jobs have been created.

UND Underway: An activity is underway when expenditures or obligations have been incurred and the activity has not been completed or canceled during the program year or the national objective has not been met.

After entering the appropriate activity status code, enter all of the applicable activity codes as identified below:

108 Section 108 Guaranteed Loan Fund Activity: The activity is funded in whole or in part using proceeds from loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, and pursuant to 24 CFR 570, Subpart M.

FFA Float-Funded Activity: The activity is financed by a float. This is a financing technique under which an eligible activity is carried out using CDBG funds that were also programmed for one or more other activities at the time the funds were committed to the new activity. This technique is based on the premise that some activities do not require funds immediately and that a recipient's unexpended CDBG funds will contain a balance (the "float") that can be used on a temporary basis to fund other activities. Activities financed with float loans must generate a sufficient level of program income within an established time frame to enable the grantee to carry out the activities that were initially programmed.

HOML Homeless-Related Activity: The activity provides assistance to homeless persons.

HUD Other HUD Funds in Activity: In addition to entitlement funds, other HUD program funds are being used to support the activity.

2-17

7/93

6510.2 REV-2

Appendix 2

PI Program Income: The activity is expected to generate program income. Program income is defined as gross income that is received by either a grantee or a subrecipient and has been directly generated from the use of CDBG funds. Activities for which a revolving loan fund has been established are to be reported with this code.

RF Revolving Fund Activity: The activity is funded using a separate fund (with a set of accounts that are independent of other program accounts) established for the purpose of carrying out specific activities that, in turn, generate payments to the fund for use in carrying out the same activities.

REP One-for-One Replacement Activity: The activity involves demolition or conversion of low/mod dwelling units.

Note: Under the one-for-one replacement rule at 570.606(c)(1), the grantee must provide replacement dwelling units whenever occupied and vacant occupiable low/mod dwelling units are demolished or converted to another use. Conversion to another use occurs when an activity, typically rehabilitation of a low/mod dwelling unit, results in that unit no longer being a low/mod unit because either: (1) the rent after the activity exceeds the Section 8 FMR (fair market rent); or (2) the unit has been converted to a use other than housing.

SPEC Special Assessment Related Activity: A public improvement activity for which a special assessment, as defined in the regulations at 570.200(c), will be levied.

SUBR Subrecipient Activity: The activity is being carried out by a subrecipient. HUD defines a

subrecipient as a public or private nonprofit agency, authority, or organization, or an entity described in 24 CFR Section 570.204(c) receiving CDBG funds from the grantee or a subrecipient to undertake activities eligible for such assistance

7/93

2-18

6510.2 REV-2

Appendix 2

under 24 CFR 570 Subpart C. The term includes a public agency designated by a metropolitan city or urban county to receive a loan guarantee under Subpart M, but does not include contractors providing supplies, equipment, construction or services subject to the procurement requirements in applicable uniform administrative requirements, nor does it include direct beneficiaries receiving financial assistance for property rehabilitation or economic development projects.

Column f ACCOMPLISHMENTS/STATUS: For each activity identified in column b, provide a brief and concise summation of the actual accomplishments achieved during the reporting period. Accomplishments should include the type of product, unit of measure, and number of units completed. If it is impossible to provide a numerical unit description, enter a percentage estimate of the portion of the total activity completed to date. If the activity has not been completed, include any additional information necessary to adequately describe the status of the activity.

If any of the residential rehabilitation involves reconstruction of residential housing on the same site because the need for reconstruction was not determinable until after rehabilitation had started, identify it separately.

For each relocation activity, report the actual number of households, businesses, nonprofit organizations, or farms relocated during the reporting period, indicating whether the relocation was temporary or permanent, and the type of payment(s) made, e.g., moving expenses, rental assistance, etc.

Note: For all multi-year projects (projects involving more than one CDBG-assisted activity and where those activities are funded from more than one Final Statement), identify all CDBG-assisted activities in the project, and show the total cumulative amount of CDBG funds expended to date on the project. For example, a project may involve the acquisition and rehabilitation of a

structure, where the acquisition is budgeted in one Final Statement and the architectural/engineering fees and

2-19

7/93

6510.2 REV-2

Appendix 2

rehabilitation costs are budgeted in a subsequent Final Statement.

SPECIAL INSTRUCTIONS: Continue to report on the status of all acquisition of real property, multi-unit housing, and job creation/retention activities until a national objective has been met. Acquisition of real property must always be viewed in terms of the use of the property after acquisition for the purpose of determining compliance with a national objective. (If necessary because of the number of properties, attach a cumulative listing immediately after the Activity Summary form of all real property acquired using CDBG funds for which a national objective has not been met. Once a national objective is met and the activity is identified as completed, this property would be deleted from this listing.)

In addition, cumulative reporting data must be provided for all multi-unit housing and job creation/retention activities. Instructions are also provided below for calculating and reporting the amount of CDBG funds expended for each multi-unit housing activity that may be credited as benefiting low/mod persons.

- A. Multi-Unit Housing Activities Qualifying Under the National Objective of Benefit to Low/Mod Persons
 - 1. Activity Delivery. In order to determine the total cost of rehabilitation for each multi-unit housing structure, activity delivery costs attributable to each structure must be allocated to the structure. They may not be aggregated and identified as a separate activity.
 - 2. Calculation of Low/Mod Credit. The calculation described below is required to comply with section 105(c)(3) of the HCD Act and 570.200(a)(3)(iv) of the CDBG regulations that state that CDBG expenditures for housing activities shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons.

NOTE: This calculation is not required if

Appendix 2

by low/mod households.

Regardless of whether the activity is funded totally or in part with CDBG funds, indicate in the Accomplishments column (column f) the total amount expended from all sources through this reporting period. Note: do not report non-CDBG funds in the column g (Budget) or in column h, (Expended this Reporting Period). Also, report the number of units completed, the number of units occupied to date, and the number of those units occupied by low/mod households.

The amount of CDBG funds to be credited as benefiting low/mod persons is to be calculated for each assisted structure as follows:

- a. If the activity is not completed this reporting period, use the information in column b, Description, and:
 - (1) Calculate the percent of low/mod households in the structure by dividing the number of units to be occupied by low/mod households by the total number of units in the structure.
 - (2) Multiply the cost of the activity taking into account all sources of funds, including any contribution made (or to be made) by the owner by the percent of units obtained in (1) above. This will give the maximum amount of low/mod benefit which may be credited for this activity.

NOTE: Once the activity is completed, the calculations in (1) and (2) above are to be based on actual costs and actual occupancy by low/mod households as reported under Accomplishments, column f.

- b. If the total amount of CDBG funds expended for this activity during this

6510.2 REV-2

Appendix 2

reporting period and in previous program years, including activity delivery costs, is greater than the maximum credit allowable as determined in (2) above, that difference must be subtracted from the amount of CDBG funds expended for the activity during this reporting period to obtain the amount of expenditures to be credited for low/mod benefit this reporting period.

Note: Even though some costs may not be credited to the overall benefit calculation, the activity itself could nevertheless qualify as meeting the national objective.

- c. Based on the calculation in b above, separately identify the amount of CDBG funds expended during the reporting period to be credited for low/mod benefit. (This amount is to be included in line 14 of the Financial Summary, form HUD-4949.3.)

The EXAMPLES below are based on the following assumptions: the total cost of rehabilitation of the multi-unit structure is \$200,000 (\$150,000 of which is CDBG) and 60% of the units are occupied by low/mod households. Based on these facts, the grantee may receive credit for its CDBG expenditure up to a maximum of \$120,000 (60% of \$200,000)

Example #1: The grantee expended \$150,000 in CDBG funds this reporting period.

--To calculate low/mod benefit credit (see b above), subtract the maximum low/mod benefit credit (\$120,000) from the total CDBG funds expended (\$150,000). Then subtract that difference (\$30,000) from the amount expended this reporting period (\$150,000). The amount obtained, \$120,000, is the amount of CDBG expenditures for which the grantee will receive low/mod benefit credit this reporting period.

Appendix 2

Example #2: CDBG expenditures incurred over two reporting periods:

--The grantee expended \$20,000 in CDBG funds in the previous reporting period and received credit for the entire amount (because it can receive low/mod benefit credit for \$120,000 of the CDBG expenditures).

--\$130,000 in CDBG funds was expended this reporting period for total CDBG expenditures of \$150,000. To calculate low/mod benefit credit for this reporting period, subtract the maximum low/mod benefit credit (\$120,000) from the total CDBG funds expended (\$150,000). Then, as described in b above, subtract the difference (\$30,000) from the amount expended this reporting period (\$130,000). The result, \$100,000, is the grantee's low/mod benefit credit for this reporting period. (The total low/mod credit received for both years is \$120,000).

- d. The activity will need to be reported on all succeeding GPRs until all the units have been occupied, so that a final accounting of the extent of benefit to low/mod persons can be made. As noted above, the year the activity is reported as completed, the calculation is to be based on actual occupancy figures and the actual total cost.

- B. Job Creation/Retention Activities Qualifying Under the National Objective of Benefit to Low/Mod Persons.

For each business assisted, report the following information:

The number of permanent full-time jobs actually created or retained to date followed in parenthesis by the number of such jobs held by low/mod persons; separately show equivalent information for permanent part-time jobs, showing the number of hours for each such job so they may be reduced to full-time equivalents. Where applicable, report the number of such jobs that

were made available to, but were not taken by, low/mod persons. Where jobs were made available to low/mod persons but were not taken by them, attach a narrative immediately after the Activity Summary form (see Exhibit 2f) which provides:

1. A description of actions taken by the grantee and business to ensure first consideration was or will be given to low/mod persons; and
2. A listing by job title of all the permanent jobs created/retained and those that were made available to low/mod persons. If any of the jobs claimed as being available to low/mod persons require special skills, work experience, or education, include a description of the steps being taken or that will be taken to provide such skills, experience, or education.

Columns g - h: CDBG FUNDS

The term CDBG funds means all available CDBG resources including the entitlement grant, program income, section 108 loan guarantee funds received, surplus renewal funds, and grant funds returned to the program account or line-of-credit.

The financial status of each activity identified in column b shall be reported in columns g and h. Entries shall be rounded to the nearest dollar. Enter subtotals for each of these two columns in the space provided at the bottom of each page. On the last page of the Activity Summary form enter the grand total in the space provided at the bottom of the page and the subtotal for that page immediately above the grand total.

NOTE: Costs are sometimes incurred as part of the preliminary work for an activity, such as the title search in preparation for acquisition of real property or screening of applicants for economic development or rehabilitation loans, but the activity is terminated prior to completion for justifiable cause. These costs may either be classified as administrative costs subject to the 20% cap

or, if the grantee has an on-going program for the type of activity for which the costs

were incurred, the costs may be allocated among the other instances of assistance provided through the activities under that program.

Column g BUDGETED: Enter the total amount of CDBG resources the grantee has allocated to this activity as of the last day of the reporting period. This is not to include funds expended for this activity in prior years.

NOTE: The amount budgeted on the last day of the report period should be no less than the amount of CDBG funds expected to be expended to complete the activity. Also, for activities reported as completed or canceled this reporting period, the amount budgeted cannot exceed the amount expended for the activity.

Column h EXPENDED THIS REPORTING PERIOD: Enter the amount of CDBG funds expended by the grantee or subrecipient for the activity during the reporting period.

Definition of Expenditure: Actual cash disbursements, the amount of indirect expense incurred, and the net increase (or decrease) in amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subrecipients, subcontractors, or other payees, and other amounts becoming owed for which no current services or performance are required, such as annuities, insurance claims and other benefit payments. This definition is to be applied by both the grantee and subrecipients. If accounting records are not kept by the grantee or the subrecipient on an accrual basis, the grantee or subrecipient should develop such information through an analysis of documentation on hand.

Expenditures are to be reported net of any receipts or reduction of expenditure-type transactions which reduce or offset the expenditure (applicable credits) during the same reporting period. Audit/monitoring recoveries, donations or fees received for activities, or rebates from sale of property are examples of adjustments which could reduce the amount of the expenditure. Adjustments for applicable credits are

only to be made when the expenditure and the applicable credit occur during the same reporting period. Expenditures incurred during previous reporting periods that were disallowed and reimbursed by the grantee

during this reporting period pursuant to audit or monitoring findings shall not be included on the HUD 4949.2/2a, but should be included in line 6, Financial Summary, form HUD-4949.3.

If an activity involves assistance in the form of a guarantee of indebtedness incurred by another party, an expenditure shall be reported when the following condition is met: a loss is probable and the amount of the loss can reasonably be estimated based on prior default rates on similar loans.

For purposes of this report, HUD considers a lump sum disbursement for rehabilitation to be expended as the financial institution disburses the funds (or transfers the funds to a reserve account) for rehabilitation assistance provided to the ultimate beneficiary.

SECTION B - ADDITIONAL INSTRUCTIONS FOR DIRECT BENEFIT AND PUBLIC SERVICE ACTIVITIES

Form 4949.2a is to be used to report on all public service and direct benefit activities. There may be public service activities which are not direct benefit activities (e.g., police and fire services). This form should still be used since it makes provisions for reporting funds obligated for public service activities, although information on direct beneficiaries would not be required. Information on public service activity obligations during the reporting period is required for calculating compliance with the public service cap.

Direct benefit activity data must be reported in columns i through r for each activity in which one of the following national objective codes were reported in column d:

"LMC" for low/mod limited clientele activities;
"LMH" for low/mod housing activities;
"LMJ" for low/mod job creation or retention activities;
and
those slum/blight activities in which the benefit flows primarily to specific persons or households and secondarily to a slum or blighted area, whether or not

direct benefits have been realized as of the end of this reporting period. For example, housing rehabilitation primarily benefits specific homeowners or renters, and it would be classified as a direct benefit activity. Street construction improves an area in general, and it would not.

Column i TOTAL NUMBER OF HOUSEHOLDS/PERSONS ASSISTED: Enter the actual number of households (for housing activities) or persons (for all non-housing activities) who received assistance during the program year covered by this report. Indicate with either (H) or (P) whether this number represents "households" or "persons" respectively. Each household or person may be counted only once. Do not report the number of days of service provided or any other service units. The number of beneficiaries reported in this column should correspond with the number of beneficiaries reported in column f (Accomplishments/Status).

Note: If the activity is such that compliance with a national objective will not be met during the reporting year, report the cumulative number of households or persons assisted until the activity is reported as completed and a national objective has been met. This includes multi-unit housing and created or retained jobs.

Column j LOW- AND MODERATE-INCOME: Enter the total number of households or persons who are low/mod. Complete columns j and k only if the activity is categorized as benefiting low/mod persons in column d of the Activity Summary form.

If a grantee's or subrecipient's recordkeeping does not include personal records on the households or persons assisted, but the activity benefits a category of individuals presumed by HUD to be low/mod, enter the letters "PB" in this column to indicate presumed benefit.

If no personal record is maintained and the category of clientele does not qualify for the low/mod presumption, enter the letter "N" in this column. Attach a narrative immediately after the Activity Summary form that describes how the nature, location, or other information demonstrates the activity benefits a

Appendix 2

limited clientele at least 51% of whom are low- and moderate-income (see Exhibit 2g).

Column k LOW INCOME: Enter the number of households or persons who are low income. If a personal record is maintained, provide the total number of households/ persons who are low income. If a personal record is not maintained, leave blank. The number shown in column k should be less than or equal to that shown in

column j.

Columns l - p:

Enter the number of households or persons who are the following: (For those direct benefit activities where a personal record is maintained, provide the information requested in columns l through q from the personal record. Where a personal record is not maintained, provide that information from spot surveys or estimates of persons using the facility or service.)

Note: Definitions of the racial and ethnic groups identified below are provided in Chapter 1, paragraph 1-5.c. of this handbook.

Column l WHITE, NOT HISPANIC ORIGIN

Column m BLACK, NOT HISPANIC ORIGIN

Column n HISPANIC

Column o ASIAN OR PACIFIC ISLANDER

Column p AMERICAN INDIAN OR ALASKAN NATIVE

Note: The sum of the numbers shown in columns l through p should equal the total number of households or persons reported in column i.

Column q FEMALE HEADED HOUSEHOLD: Enter the number of female headed households. If "persons" assisted is reported in column j rather than "households" assisted, leave this column blank.

Column r AMOUNT OF UNLIQUIDATED OBLIGATIONS: For each public service activity only, enter the total amount of CDBG unliquidated obligations. If the amount is zero, enter "0."

7/93

2-28

6510.2 REV-2

Appendix 2

Definition of unliquidated obligations: Dollar amount of orders placed, contracts and grants awarded, goods and services received and similar transactions for which an expenditure has been accrued but not yet recorded as paid as of the end of the reporting period.

2-29

7/93

Exhibit 2a is a graphic which cannot be loaded into the Directives

Access System.

Exhibit 2b is a form which cannot be loaded in the Directives Access System.

Exhibit 2c is a form which cannot be loaded into the Directives Access System.

Exhibit 2d is a form which cannot be loaded into the Directives Access System.

6510.2 REV-2

Exhibit 2e

DISPLACEMENT, TENANT ASSISTANCE
AND RELOCATION NARRATIVE

To minimize displacement, vacant units in the Walnut Hill Apartments were rehabilitated before occupied units and made available to residents of Walnut Hill and persons displaced by the rehabilitation of the Grover Apartments; all rehabilitation was staged and payments for temporary moves were provided as necessary. The same process was used for tenants of Morgan, Holloway, and Oakwood Apartments. Also, rehabilitation of a vacant building at 405 W. 20th St. was completed in time to provide replacement units for tenants displaced by the demolition of a structure at 12 W. 39th Street. When an occupied building is considered for rehabilitation assistance, the City makes every effort to minimize the disruptive impact of the proposed rehabilitation on the tenants of the building by determining the needs of the residents and staging the work to accommodate their preferences to the extent possible.

To identify the households who occupy a building that is to be rehabilitated, at the time of application, the owner/developer must submit a list of the households that currently occupy the unit(s) and the date the lease of each household will terminate. The City then uses this information to survey current residents to ensure the information provided by the owner/developer is correct and to identify whether the household will need to be temporarily relocated or permanently displaced.

The City's Department of Housing and Community Development is responsible for issuing all required notices. When an application for rehabilitation is approved, a general information notice is issued and the Rehabilitation Specialist develops a timeline that ties together the proposed schedule for the

rehabilitation and the issuance of appropriate notices, counseling, and the schedule for temporary or permanent relocation. This information is used to estimate the costs of relocation for the project, including the need for vacant units for purposes of temporary relocation, when required. The Specialist prepares a checklist that identifies the dates by which the appropriate notices must be issued. This information is entered into a data file and a reminder is automatically generated to both the Specialist and the Rehabilitation Assistant to ensure that notices are issued in a timely manner. When a notice is issued, a copy is placed in the project file.

Other efforts the City undertakes to minimize displacement include the coordination of the City's code enforcement program

7/93

2-50

6510.2 REV-2

Exhibit 2e

with its rehabilitation and housing assistance programs, and use of a counseling center to provide homeowners and tenants with information.

2-51

7/93

6510.2 REV-2

Exhibit 2f

EXAMPLE: NARRATIVE ON JOB CREATION/RETENTION

Activity 15.2: Special Economic Development Assistance to private for-profit entities:

Longfellow Bakery

In determining that at least 51% of the permanent jobs retained and created by the Longfellow Bakery would be retained by or made available to low/mod income persons, the City considered the information below on retained jobs. For new jobs to be created, the company furnished information on its sales over the past three years and on the capacity of the new equipment. The information supported the company's projection that it could create a total of three (3) new jobs, 2 bakers and 1 production line crew position.

RETAINED JOBS	HELD BY L/M	NOT HELD BY L/M
Plant Manager		1
Treasurer/Accountant		1
Secretarial	1	
Foreman		1
Bakers	1	1
Production line crew	1	1
Fork lift operator	1	
Loading dock workers	2*	

TOTAL JOBS	<u>5</u>	<u>5</u>
(*2 part-time jobs at 20 hr. per wk./each)		
JOBS CREATED		
Bakers	1	1
Production line crew		1
TOTAL FULL-TIME JOBS	<u>6</u>	<u>7</u>

As shown above, 3 new jobs were created. All three jobs were made available to low/mod income persons. The positions for bakers require special skill, but on-the-job training with a master baker was available to the persons hired.

At the time the loan was made, Longfellow Bakery entered into a first source hiring agreement with the City to consider City-referred low- and moderate-income persons first for the jobs to be created. Fifteen low/mod persons were interviewed, but only one was interested in a baker's position and none were interested in the position for the production line crew. The other low/mod persons were not interested in positions in the kitchen despite offers to train them. We are continuing to use the referral services as positions turn over.

7/93

2-52

6510.2 REV-2

Exhibit 2g

Attachment for HUD-4949.2a

Narrative for Limited Clientele, Direct Benefit Activities
(without records or presumptive benefit)

10.1 Public Services: Neighborhood Youth Recreation Program
at Lincoln Youth Center

The Youth Recreation Program has been operating at the Lincoln Youth Center since 1989. Low- and moderate-income persons comprise 81.9 percent of the service area of the Center.

The recreation program is attended by middle and senior high school students who come on a drop-in basis after school and in the evenings. No admittance fee is charged. The youth take part in a variety of recreation activities such as basketball, table tennis, table games, as well as special events that promote fitness, team cooperation, and leadership.

2-53

7/93