



Citizen Participation Plan

Community Development Block Grant (CDBG)

Adopted - May 12, 2015

CITY OF NEWPORT BEACH
Community Development Department
100 Civic Center Dr. ■ Newport Beach, CA 92660

Citizen Participation Plan

Citizen Participation and Consultation Plan

The City of Newport Beach must develop and follow a Citizen Participation Plan to receive federal funds for the Community Development Block Grant (CDBG) program. The Citizen Participation Plan covers the five-year Consolidated Plan, each subsequent Annual Action Plan, each year's Consolidated Annual Performance and Evaluation Report and any amendments to the Consolidated Plan or its five Annual Action Plans. Developed as a stand-alone document in conformance with the requirements set forth at 24 CFR 91.105, the City's Citizen Participation Plan is as follows:

1. Purpose of and Accessibility to the Citizen Participation Plan

The City of Newport Beach is an entitlement jurisdiction receiving Community Development Block Grant (CDBG) funds directly from the U.S. Department of Housing and Urban Development (HUD). Pursuant to the program regulations, the City is required to prepare a five-year Consolidated Plan and annual updates to guide and report on the use of CDBG funds. Annual reviews of program performance are also required.

This Citizen Participation Plan sets forth the City of Newport Beach's policies and procedures for citizen participation in the development of the Consolidated Plan documents and any subsequent amendments. The Citizen Participation Plan provides an opportunity for nonprofit service agencies and the community to work in partnership with the City to identify needs and allocate CDBG funds. While this plan encourages the participation of all citizens, special assurances will be made to ensure the participation of the following: extremely low-, low-, and moderate-income persons; persons living in areas where federal funds are proposed to be used; persons living in slum and blighted areas (if any); residents of assisted housing; residents of predominantly low- and moderate-income neighborhoods; low income residents of target revitalization areas; minorities; non-English speaking persons; and persons with physical or mental disabilities. Upon request, the Community Development Department - Planning Division will make the necessary accommodations to make an accessible copy of this written Citizen Participation Plan available to persons with disabilities.

2. Definitions

For purposes of the CDBG program, the following definitions will apply:

Consolidated Plan Documents (CPD) - For the CDBG program, the Consolidated Plan Documents include the following:

- Five-Year Consolidated Plan
- Analysis of Impediments to Fair Housing Choice (AI)
- Citizen Participation Plan
- Annual Action Plan
- Consolidated Annual Performance Evaluation and Report (CAPER)

Low- and Moderate-Income Households - Pursuant to HUD regulations, the primary beneficiaries of the CDBG program should be low- and moderate-income households, defined by HUD as follows:

Extremely Low-Income Household - 0-30% County Median Family Income (MFI).

Low-Income - 31-50% County MFI.

Moderate-Income - 51-80% County MFI.

Low- and Moderate-Income Area / Predominately Low- and Moderate-Income Neighborhood - Generally defined as a primarily residential area comprised of census tract block group(s) in which a minimum of 51 percent of the residents have an income not exceeding 80 percent of the County median income.

Slum or Blighted Area - An area meeting the definition of a slum, blighted, deteriorated or deteriorating area under State or local law, typically identified as a Redevelopment Project Area, or where there are a substantial number of deteriorating or dilapidated buildings and/or improvements throughout the area.

3. Citizen Participation Strategy

The City of Newport Beach recognizes that CDBG funds are federal tax money returned to the City to be used primarily to benefit extremely low-, low-, and moderate-income persons. City staff and officials are stewards of this public money and will openly discuss all records, except those confidential records protecting a household's privacy.

4. Decision Making Bodies

The City of Newport Beach has established a CDBG Advisory Committee to assist the City Council in making funding decisions relating to the CDBG, programs. The functions and makeup of this group are described below.

CDBG Advisory Committee:

The CDBG Advisory Committee is comprised of the City Manager, the Community Development Director and the Principal Planner. The CDBG Advisory Committee will perform in an advisory manner to the City Council concerning planning, implementing, and assessing the CDBG programs/activities related to public service, capital expenditures, and administration expenditures. In addition, the CDBG Advisory Committee will review all public service grant applications for funding and will recommend funding priorities to the City Council.

This will be accomplished through the following tasks:

- Information dissemination during the CDBG application process, and other HUD application processes as applicable;
- Preparation of funding recommendations for City Council review and final approval; and
- Review of project/program progress.

City Council:

After reviewing the CDBG Advisory Committee funding recommendations included in the draft Annual Action Plan and considering public testimony and comments, the City Council shall make the final funding determinations for the CDBG program.

5. Program Planning Process

The City of Newport Beach will adhere to the following citizen participation process when conducting program planning and reporting for the CDBG program.

a. Citizen Participation Plan

i. *Plan Development*

Plan Considerations

As a part of the Citizen Participation Plan process, and prior to the adoption of the Consolidated Plan, the City will make available the information gathered and utilized to generate the City’s Strategic Plan and to make program funding decisions. This information will be made available to citizens, public agencies, and other interested parties.

The information to be supplied will include: the amount of funding that the City expects to receive (including grant funds and program income, as applicable), the range of activities that may be undertaken, and the estimated amount of funds that will benefit persons of low- and moderate-income.

The City will also provide an assessment of community development and housing needs and identify short- term and long-term community development objectives directed toward the provision of decent housing and the expansion of economic opportunities primarily for persons of low- and moderate-income.

Additionally, the City must attest to its compliance with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24, as effectuated by the City’s adopted Residential Anti-Displacement and Relocation Assistance Plan, as required under Section 104(d) of the Housing and Community Development Act of 1974, as amended. The City’s CDBG Residential Anti-Displacement and Relocation Assistance Plan may be found in Section B of this document.

Plan Review and Comment

The draft Citizen Participation Plan shall be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments, views, and City responses shall be attached to the public hearing draft of the Citizen Participation Plan.

Public Hearing

The City Council shall conduct a public hearing to accept public comments on the draft Citizen Participation Plan. After public comments are heard and considered by the City Council, it shall approve the Citizen Participation Plan.

ii. Plan Amendment

The City can make amendments to the Citizen Participation Plan through the following amendment process:

Public Hearing

The City Council shall conduct a public hearing to accept public comments on the draft amended Citizen Participation Plan. After public comments are heard and considered by the City Council, it shall approve the amended Citizen Participation Plan.

b. Five-Year Consolidated Plan

i. Plan Development

During the development of the Five-Year Consolidated Plan, the City will consult the following services/agencies to solicit their input on housing and community development needs:

- Local health services providers
- Social service providers including but not limited to those concerning children, elderly, disabled, homeless and persons with HIV/AIDS
- The homeless Continuum of Care
- State and local health agencies
- Adjacent local governments
- Economic development interests including businesses and chambers of commerce
- Community and faith-based organizations
- Public Housing Agencies
- Housing developers

A variety of mechanisms may be utilized to solicit input from these persons, service providers, or agencies. These include telephone or personal interviews, mail surveys and consultation workshops.

ii. Public Review and Comment

The draft Consolidated Plan will be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses shall be attached to the Consolidated Plan.

iii. Public Hearings

The City will conduct a public hearing/meeting to accept public input on community needs during the development stage of the draft Consolidated Plan. The City Council will also conduct one (1) public hearing to accept comments on the draft Consolidated Plan which will be provided for public review for a 30-day period prior to the public hearing (see above).

iv. Plan Amendment

Substantial Change:

The City will formally amend its approved Five-Year Consolidated Plan whenever a decision is made to propose a substantial change in allocation priorities or method of distribution of funds.

For the purpose of the Five-Year Consolidated Plan, a "substantial change" will constitute a cumulative change equal to or in excess of 20% of the City's CDBG entitlement for a program year.

For example, if the Five-Year Consolidated Plan's *Priority Needs Summary Table* indicates a "Low Priority Need" for multi-family housing rehabilitation, and during the five-year time frame, the City changes the priority level to "High" in order to implement a multi-family rehabilitation program using 20% or more of the City's annual CDBG allocation; this change would constitute a substantial change to the Five-Year Consolidated Plan and a formal amendment to the Plan is required.

Changes in the allocation priorities not amounting to 20% of the entitlement will not be considered as a substantial change to the Five-Year Consolidated Plan; therefore, no formal amendment to the Plan requiring public review and comment will be warranted. City Council approval of the priority changes is still required.

However, if a program or type of programs is indicated in the Five-Year Consolidated Plan as "No Such Need," the City will need to amend the Consolidated Plan in order to implement the program(s) regardless of the level of funding. A change from "No Such Need" to a Low, Medium, or High level priority is considered by HUD as a substantial amendment to the Consolidated Plan.

v. Public Review and Comment

Substantial amendments to the Consolidated Plan will be made available for a 30-day public review. Written comments will be accepted during the 30-day

public review period. A summary of the comments and views, and City responses must be attached to the amendment.

vi. Public Hearings

The City Council will conduct one (1) public hearing/meeting to accept public input on any amendment to the Consolidated Plan.

c. Annual Action Plan

i. Plan Development

In addition to Newport Beach residents, the City will ensure that public (including City staff) and private agencies that provide the following services will be consulted in the development of the Action Plan:

- Local health services providers
- Social service providers including but not limited to those concerning: children, elderly, disabled, homeless and persons with HIV/AIDS
- The homeless Continuum of Care
- State and local health agencies
- Adjacent local governments
- Economic development interests including businesses and chambers of commerce
- Community and faith-based organizations
- Public Housing Agencies
- Housing developers

These persons/service providers/agencies will be contacted and brought into the process in the following manner:

- Each year, the City will send a written Notice of Funding Availability (NOFA) to each cooperating department and nonprofit agency advising them that the planning cycle has begun for CDBG funds, and that the City is accepting project proposals.
- City staff will conduct outreach to special interest groups in Newport Beach, such as senior citizens and the disabled, and make presentations on the Action Plan to these groups where necessary.
- The City will conduct an eligibility analysis on all project proposals submitted and review the eligible proposals for service provider grants.

The review for funding consideration will be conducted by the CDBG Advisory Committee.

ii. Public Review and Comment

The draft Action Plan incorporating the City's proposed uses of CDBG funds will be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses will be attached to the Action Plan.

iii. Public Hearings

The CDBG Advisory Committee may hold a public meeting to discuss the eligible project proposals and funding recommendations for both public service grant and capital outlay projects, and make funding decisions. The City Council will conduct one (1) public hearing to accept comments on the draft Action Plan which will be provided for public review for a 30-day period (see above).

iv. Action Plan Amendment

Substantial Change:

The City will formally amend its approved Action Plan whenever a decision is made to propose a substantial change to the Plan, either by:

- Carrying out an activity not previously described in the Action Plan;
- Canceling an activity previously described in the Action Plan;
- Increasing or decreasing the amount to be expended on a particular activity from the amount stated in the Action Plan by more than 20 percent; or
- Substantially changing the purpose, scope, location, or beneficiaries of an activity.

Changes in funding for an existing activity not amounting to more than 20 percent will not be considered as a substantial change to the Annual Action Plan; no formal amendment to the Action Plan requiring public review and comment will be warranted. However, City Council approval of the activity funding changes is still required.

v. Public Review and Comment

Substantial amendments to the Action Plan will be made available for a 30-day public review. Written comments will be accepted during the 30-day Public review. A summary of the comments and views, and City responses must be attached to the Action Plan.

vi. Public Hearings

The City Council will conduct one (1) public hearing to accept public input on any Substantial Amendment to the Annual Action Plan.

d. Consolidated Annual Performance and Evaluation Report (CAPER) Plan Development

i. Public Review and Comment

The Consolidated Annual Performance and Evaluation Report (CAPER) will be made available for a 15-day public review. Written comments will be accepted during the 15-day public review. A summary of the comments and views, and City responses must be attached to the CAPER.

ii. Public Hearing

The City Council will conduct one (1) public hearing to accept public input on the Consolidated Annual Performance and Evaluation Report (CAPER).

e. Analysis of Impediments (AI) to Fair Housing Choice

i. Plan Development

The City participated in the Orange County Regional AI in 2010 and anticipates participating in future updates to the regional AI

During the development of the AI, the City or its contracted third-party provider will consult the following groups/agencies to solicit their input on fair housing issues in the City:

- Fair Housing Organizations
- Other local governments
- Advocacy groups for special needs households
- Affordable housing providers
- Banks and other financial institutions
- Educational institutions

A variety of mechanisms may be utilized to solicit input from these groups/agencies. These include telephone or personal interviews, mail surveys, and consultation workshops.

ii. Public Review and Comment

The draft AI will be made available for public review for a 30-day period. Written comments will be accepted during the 30-day public review. A summary of the comments and views, and City responses must be attached to the AI.

iii. Public Hearings

The City will conduct one (1) public hearing/meeting to accept public input on fair housing issues during the development stage of the draft AI. The City Council will also conduct one (1) public hearing to accept comments on the draft AI which will be provided for public review for a 30-day period (see above).

6. Public Notification

a. Public Hearings

Each program year, the City Council will convene a minimum of two (2) public hearings during regular or special meetings of the City Council to accept public comments on the CDBG Program—particularly the CPD documents. Specifically, one (1) public hearing must be conducted following a 30-day public review period for the Annual Action Plan. This public hearing usually takes place at the last City Council meeting in April or the first City Council Meeting in May prior to the City's submission of the final Action Plan to HUD 45 days prior to the start of the program year on July 1. The second public hearing concerning the draft CAPER is usually conducted at the last City Council meeting in August or the first City Council meeting in September prior to the submittal of the final CAPER to HUD 90 days following the close of the program year (June 30).

At least 30 days in advance of the adoption of the Annual Action Plan and at least 15 days in advance of the adoption of the CAPER, Staff will provide the draft document for public review and will provide the public with notice of the public review and comment period. This notice will also include the date and time of the public hearing before the City Council where public comments on the draft documents may be entered into the official City record. Public Notices of the public review, comment, and public hearing will include:

- Publishing one (1) notice in the Daily Pilot and/or other newspapers of general circulation in the City; and
- Posting notices at City Hall and on the City website.

b. Public Meetings

Public notices of public meetings will include:

- Publishing one (1) notice in the Daily Pilot and/or other newspapers of general circulation in the City; and
- Posting notices at City Hall and the City website at least 10 days prior to the meeting date.

c. Documents for Public Review

Notices of availability of all draft Consolidated Plan Documents (CPD) for public review and a summary of the CPD will be published in a display ad in the Daily Pilot. Additionally, Notices of Availability will be posted at City Hall and on the City's website.

7. Access to Meetings

All public hearings will be conducted at the following location unless otherwise specified in the public notice:

City of Newport Beach
City Council Chamber
100 Civic Center Drive
Newport Beach, CA 92660

It is the intention of the City to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act (ADA) of 1990 and the ADA Amendment Act of 2008, the Fair Housing Act, and the Architectural Barriers Act in all respects. If an attendee or participant at a public hearing or public meeting needs special assistance beyond what is normally provided, the City will attempt to accommodate requests from persons with disabilities¹ in every reasonable manner². Persons seeking special accommodations must notify the City Clerk at least 48 hours prior to the public hearing or meeting so that appropriate accommodations or services may be arranged.

8. Availability of Documents for Public Review

The City will place draft copies of the Consolidated Plan Documents and any substantial amendments to these documents for public review at the following locations:

- City of Newport Beach, Community Development Department
100 Civic Center Drive
Newport Beach, CA 92660
- City of Newport Beach – Central Library
1000 Avocado Avenue
Newport Beach, CA 92660
- City website: www.newportbeachca.gov/index.aspx?page=1364

¹ For example, special communication systems (e.g., TTY for persons who are hearing or speech impaired, materials on tape or in Braille).

² An individual with a disability is any person who has a physical or mental impairment that substantially limits one or more major life activities. The term "physical or mental impairment" may include, but is not limited to, conditions such as visual or hearing impairment, mobility impairment, HIV infection, mental retardation, drug addiction (except current illegal use of or addiction to drugs), or mental illness. The term "major life activity" may include seeing, hearing, walking, breathing, performing manual tasks, caring for one's self, learning, speaking, or working. Persons with disability are also persons who have a record of such impairment, or are regarded as having such impairment.

The City will provide a reasonable number of free copies of the documents to citizens and groups upon request. Notices of Availability of draft documents for public review will be published as specified in the Citizen Participation Plan.

The City will make reasonable efforts to accommodate requests to translate documents in a different language or in Braille.

9. Access to Records

The City will ensure timely and reasonable access to information and records related to the development of the Consolidated Plan Documents (CPD) and the use of monies for programs funded by CDBG. Information to be made available will include budget and program performance information, meeting minutes, and comments received by the City during the development of the CPD Documents.

Requests for information and records must be made to the City of Newport Beach in writing. Staff will respond to such requests within 15 working days or as soon as possible thereafter.

10. Technical Assistance

Upon request, staff may provide technical assistance to groups representing extremely-low, low-, and moderate-income persons to develop funding requests for CDBG eligible activities. Technical assistance will be provided as follows:

- Establish an annual project proposal submission and review cycle (NOFA) that provides information, instructions, forms and advice to interested extremely low-, low- and moderate-income citizens or representative groups so that they can have reasonable access to the funding consideration process.
- Provide self-explanatory project proposal forms and instructions to all persons who request them whether by telephone or by letter. The City's funding application form is designed to be easily understood, while still addressing all key items necessary to assess the proposed project. Statistics concerning specific areas of the City may be furnished by City staff upon request.
- Answer, in writing, all written questions and answer verbally all verbal inquiries received from citizens or representative groups regarding how to write or submit eligible project proposals.
- Meet with groups or individuals as requested, to assist in identifying specific needs and to assist in preparing project proposal applications.
- Obtain information in the form of completed project proposal forms from citizens or non-profit agencies and assemble a list of proposals available for public review.
- Conduct a project eligibility analysis to determine, at an early stage, the eligibility of each project. In cases where only minor adjustments are needed to make proposals eligible or otherwise practical, City staff will advise the applicants on the options available and desired changes to the proposals.

- Provide foreign language translation on as needed basis.
- Accommodate special needs for disabled persons.

11. Comments and Complaints

a. Comments

Citizens or the City government, as well as agencies providing services to the community, are encouraged to state or submit their comments in the development of the CPD and any amendments to the CPD. Written and verbal comments received at public hearings or during the comment period, will be considered and summarized, and included as an attachment to the City's final CPD. Written comments should be addressed to:

City of Newport Beach – Community Development Department
100 Civic Center Drive
Newport Beach, CA 92660

A written response will be made to all written comments within ten working days, acknowledging the letter and identifying a plan of action, if necessary. Every effort will be made to send a complete response within 15 working days to those who submit written proposals or comments.

Copies of the complete final CPD and amendments to the CPD will be available to residents at the following locations:

- City of Newport Beach – Community Development Department
- City of Newport Beach – Central Library
- City website: www.newportbeachca.gov/index.aspx?page=1364

b. Complaints

A complaint regarding the CPD planning process and CPD amendments must be made within 30 days from the date the document is published for comment. A written response will be made to all written complaints within 15 working days, acknowledging the letter and identifying a plan of action, if necessary.

The City will accept written complaints provided they specify:

- The description of the objection, and supporting facts and data.
- Provide name, address, telephone number, and a date of complaint.

12. Bilingual Opportunities

Wherever a significant number of extremely low- and low-income persons speak and read a primary language other than English, translation services at all public hearings will be provided in such language if translation services are available and are

requested of the City Clerk's office in advance at least 72 hours prior to the public meeting.

13. Appeals

Appeals concerning the CPD, statements, or recommendations of the staff should be made to the following persons in the following order:

- Community Development Director
- City Manager
- City Council
- Los Angeles Area Office of HUD (if concerns are not answered)

B. Anti-Displacement and Relocation Plan

The City's Citizen Participation Plan must include an Anti-displacement and Relocation Plan that describes how it will help persons in the unlikely event that they must be temporarily relocated or permanently displaced due to the use of CDBG funds. This may occur if the City uses CDBG funds for projects that involve the following:

- Property acquisition.
- Potential displacement of people from their homes and the need to relocate people (either permanently or temporarily).
- The demolition or conversion of low- and moderate-income dwelling units.

1. Background

Two acts apply whenever any of the above issues are present: the Uniform Relocation Assistance and Real Property Policies Act of 1970 (URA) and Section 104(d) of the Housing and Community Development Act of 1974. Each of these acts places different obligations on the City.

The URA governs the processes and procedures which the City and the Community Development Department must follow to minimize the burden placed on low- and moderate-income tenants, property owners, and business owners who must move (either temporarily or permanently) as the result of a project funded in whole or in part by the CDBG program.

The URA applies to:

- Displacement that results from acquisition, demolition, or rehabilitation for HUD-assisted projects carried out by public agencies, nonprofit organizations, private developers, or others.
- Real property acquisition for HUD-assisted projects (whether publicly or privately undertaken).
- Creation of a permanent easement or right of way for HUD-assisted projects (whether publicly or privately undertaken).
- Work on private property during the construction of a HUD-assisted project even if the activity is temporary.

2. **What is Displacement?**

Displacement occurs when a person **moves** as a **direct result** of federally assisted acquisition, demolition, conversion, or rehabilitation activities, because he or she is:

- Required to move, or
- Not offered a decent, safe, sanitary and affordable unit in the project, or
- Treated “unreasonably” as part of a permanent or temporary move.
- A person may also be considered displaced if the necessary notices are not given or provided in a timely manner and the person moves for any reason.

3. **What is a Displaced Person ?**

The term displaced person means any person that moves from real property or moves his or her personal property from real property permanently as a direct result of one (1) or more of the following activities:

- Acquisition of or written notice of intent to acquire, or initiation of negotiations to acquire, such real property, in whole or in part, for a project.
- Rehabilitation or demolition of such real property for a project.
- Rehabilitation, demolition, or acquisition (or written notice of intent) of all or a part of other real property on which the person conducts a business or farm operation, for a project.
- The City offers advisory and financial assistance to eligible tenants (or homeowners) who meet the above definition.

4. **Persons Not Eligible for Assistance**

A person is not eligible for relocation assistance under the provisions of the URA if any of the following occurs:

- a. The person was evicted for serious or repeated violations of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, state, or local law, or other good cause. However, if the person was evicted only to avoid the application of URA, then that person is considered displaced and is eligible for assistance.
- b. The person has no legal right to occupy the property under state or local law.
- c. The City determines that the person occupied the property to obtain relocation assistance and the HUD Field Office concurs in that determination.
- d. The person is a tenant-occupant that moved into the property after a certain date, specified in the applicable program regulation, and, before leasing and occupying the property, the City or its subgrantee provided the tenant-occupant written notice of the application for assistance, the project's impact on the person, and the fact that he or she would not qualify as a “displaced person” because of the project.

- e. The person is a tenant-occupant of a substandard dwelling that is acquired or a tenant-occupant of a dwelling unit to which emergency repairs are undertaken and the HUD field office concurs that:
 - Such repairs or acquisition will benefit the tenant;
 - Bringing the unit up to a safe, decent, and sanitary condition is not feasible;
 - The tenant's new rent and average estimated monthly utility costs will not exceed the greater of: the old rent/utility costs or 30 percent of gross household income; and
 - The project will not impose any unreasonable change in the character or use of the property.
- f. The person is an owner-occupant of the property who moves because of an "arm's length" acquisition.
- g. The City or its subgrantee notifies the person that they will not displace him or her for the project.
- h. The person retains the right of use and occupancy of the real property for life following the acquisition.
- i. The City determines that the person is not displaced as a direct result of the acquisition, rehabilitation, or demolition for the project and the HUD field office concurs in the determination.

5. **Minimizing Displacement**

As a general philosophy, the City will take reasonable steps to minimize displacement occurring as a result of its CDBG activities. This means that the Community Development Department will:

- Consider if displacement will occur as part of funding decisions and project feasibility determinations.
- Assure, whenever possible that occupants of buildings to be rehabilitated are offered an opportunity to return.
- Plan substantial rehabilitation projects in "stages" to minimize displacement.
- Meet all HUD notification requirements so that affected persons do not move because they have not been informed about project plans and their rights.

6. **Anti-Displacement Policy:**

The City's policy is to minimize, to the greatest extent feasible, the displacement, whether permanently or temporarily, of persons (families, individuals, businesses, nonprofit organizations, or farms) from projects funded with CDBG involving single- or multi-family rehabilitation, acquisition, commercial rehabilitation, demolition, economic development, or capital improvement activities.

Projects that the City deems beneficial but that may cause displacement may be recommended and approved for funding only if the City or its subgrantee demonstrates that such displacement is necessary and vital to the project and that they take efforts

to reduce the number of persons displaced. Further, they must clearly demonstrate that the goals and anticipated accomplishments of a project outweigh the adverse effects of displacement imposed on persons who must relocate.

7. Displacement Assistance

Consistent with the goals and objectives of the CDBG program, the City will take all reasonable steps necessary to minimize displacement of persons, even temporarily. If displacement occurs, the City will provide relocation assistance to all persons directly, involuntarily, and permanently displaced according to HUD regulations.

If the City temporarily displaces a low- or moderate-income household, that household becomes eligible for certain relocation payments. The assistance applies to those persons residing in the residence at the time the application is processed and is based on the following procedures:

- If the structure and its occupants are determined eligible for temporary relocation assistance, the owner-occupants and tenants are eligible for the actual reasonable cost (based on fair market rent) of temporary lodging facilities until the structure is determined habitable by the City's housing inspector.
- The City must approve housing and the Lessor and Lessee must sign a rent agreement before move-in. Housing must be comparable functionally to the displacement dwelling and be decent, safe, and sanitary. This does not mean that the housing must be in comparable size. The term "functionally equivalent" means that it performs the same function, has the same principal features present, and can contribute to a comparable style of living. Approved lodging accommodations include apartments and houses. The City does not reimburse "rental expenses" for living with a friend or family member.
- Either the City will provide the owner-occupants and tenants a direct payment for moving expenses (to and from temporary housing) and storage costs, or the City will arrange moving and storage of furniture with a moving company. If the City makes a direct payment, complete documentation and receipts are necessary to process claims when storage costs exceed the amount assumed by the direct payment.
- Damage deposits, utility hookups, telephone hookups and insurance costs are not eligible for reimbursement.
- The City may pay the cost of relocation assistance from federal funds or funds available from other sources.

8. One-For-One Replacement Dwelling Units

The City will generally avoid awarding funds for activities that may result in displacement. However, should the City fund such an activity, specific documentation is required to show the replacement of all occupied and vacant dwelling units demolished or converted to another use. The City will assure that relocation assistance is provided as described in 24 CFR 570.606(b)(2).

Before obligating or expending funds that will directly result in such demolition or conversion, the City will make public and submit to the HUD field office the following information in writing:

- a. A description of the proposed activity.
- b. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as low- and moderate-income units.
- c. A schedule for the commencement and completion of the demolition or conversion.
- d. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement units.
- e. The source of funding and a time schedule for the provision of replacement dwelling units.
- f. The basis for concluding that each replacement dwelling unit will remain a low- and moderate-income unit for at least ten years from the date of initial occupancy.

Consistent with the goals and objectives of the CDBG program, the City will take all reasonable steps necessary to minimize displacement of persons from their homes. The City will avoid funding projects that cause displacement of persons or businesses and will avoid funding any project that involves the conversion of low- and moderate-income housing to non-residential purposes.

9. Decent, Safe and Sanitary Dwelling

The basic definition is found at 49 CFR 24.2(a)(8). The term decent, safe, and sanitary dwelling means a dwelling that meets the following standards and any other housing and occupancy codes that are applicable. It will:

- a. Be structurally sound, weather tight, and in good repair.
- b. Contain a safe electrical wiring system adequate for lighting and other devices.
- c. Contain a safe heating system capable of sustaining a healthful temperature for the displaced person.
- d. Be adequate to accommodate the displaced person. There will be a separate, well lit, ventilated bathroom that provides privacy to the user and contains a toilet, sink, and a bathtub or shower, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. There should be a kitchen area that contains a fully usable sink, properly connected to hot and cold water and to a sewage drainage system, and adequate space and utility service connections for a stove and refrigerator.
- e. Contain unobstructed egress to safe, open space at ground level.

- f. For a mobility-impaired person, be free of any barriers that would preclude reasonable ingress, egress, or use of the dwelling by such person. This requirement will be satisfied if the displaced person elects to relocate to a dwelling that he or she selects and the displaced person determines that he or she has reasonable ingress, egress, and the use of the dwelling.
- g. Comply with lead-based paint requirements of 24 CFR Part 35.

10. Real Property Policies

The City and its CDBG recipients must follow specific guidelines regarding the acquisition and use of real property funded in whole or in part with CDBG funds.

11. Use of Real Property

The following standards apply to real property within the recipient's control and acquired or improved, in whole or in part, using CDBG funds. These standards will apply from the date funds are first spent for the property until five years after the project is audited and closed.

A recipient may not change the use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient gives affected citizens reasonable notice of, and opportunity to comment on, any such proposed change, and either:

- a. The use of such property qualifies as meeting a national objective and is not a building for the general conduct of government.
- b. If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of property to a use that does not qualify under the above paragraph, it may retain or dispose of the property. The City's CDBG program must be reimbursed in the amount of the current fair market value of the property less any portion attributable to expenditures of non-federal funds for the acquisition of and improvements to the property.
- c. Following the reimbursement of the federal program pursuant to the above paragraph of this section, the property is no longer subject to any federal requirements.

12. Real Property Acquisition

All real property acquisition activities described in this section and funded in whole or in part with CDBG funds and all real property that must be acquired for an activity assisted with federal funds, regardless of the actual funding source for the acquisition, are subject to the URA (as amended).

- a. What is Real Property Acquisition?

Real property acquisition is any acquisition by purchase, lease, donation, or otherwise, including the acquisition of such interests as rights-of-way and permanent easements.

HUD Handbook 1378 and 49 CFR Part 24 currently contains such regulations. These regulations detail a standard procedure for acquiring property and methods of determining a purchase price and outline other documents that must be provided

to the City before disbursement of funds. These regulations further require the applicant to provide relocation payments and assistance to any business or residential occupant of the property whom the acquisition will displace.

13. Eligible Activities

The City or its sub-grantee may acquire real property for a project using CDBG funds where the proposed use of the acquired property will be an activity that the City can demonstrate as beneficial to low- and moderate-income persons.

14. Environmental Review Process (24 CFR Part 58)

HUD requires that all real property acquisition projects be reviewed before the commitment of federal funds to assess the impact of a project on the environment. The City will undertake this review process. The applicant should be aware, however, that this review process may delay the date by which CDBG funds may be available and, in case of serious adverse environmental impacts, may effectively stop a project.

- a. If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of property to a use that does not qualify under the above paragraph, it may retain or dispose of the property. The City's CDBG program must be reimbursed in the amount of the current fair market value of the property less any portion attributable to expenditures of non-federal funds for the acquisition of and improvements to the property.
- b. If the change of use occurs within five years of the project being audited and closed, income from the disposition of the real property will be returned to the City's CDBG program.
- c. Following the reimbursement of the federal program pursuant to the above paragraph of this section, the property is no longer subject to any federal requirements.