|  |
| --- |
| Appendix F – Checklist for Review of Individual Economic Development Activities  |
| Name of Grantee: |
| Name of Assisted Business: |
| Standard Agreement Number: |
| Staff Consulted: |
| Name(s) of Reviewer(s) |  | Date |  |

**NOTE: All questions that address requirements contain the citation for the source of the requirement. If the requirement is not met, the reviewer must make a “finding” of noncompliance.** Questions that do not contain the citation for the requirement do not address requirements but are included to assist the reviewer in understanding the Grantee’s program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "finding.”

**Instructions:** Sections A-C cover the Grantee's compliance with 24 CFR 570.483(b)(4), 24 CFR 570.482(e), and 24 CFR 570.482(f). Section D summarizes the reviewer’s determinations regarding the Grantee’s need for technical assistance and/or training in this program function.

## Eligibility

**Review Documents (*not every project will have all the documents below*):**

* Documentation of agreement between Grantee and Assisted Business
* National Objective and Eligible Activity Documentation
	+ - Self-certifications of income for job
		- Service area maps
		- Census or survey data
		- Payroll and/or personnel data from assisted business
* Scope of Work

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | Does the project file contain the name and address of the assisted entity and the geographic location where the activity is being carried out?  |  |  |  |  |  |  |  |
|  | Yes |  | No |  |   |  |
| **Describe Basis for Conclusion:**  |
| **2** | Does the review indicate that the activity is eligible and properly classified? **24 CFR 570.482 and State CDBG Guidelines** |  |  |  |  |  |  |  |
|  | Yes |  | No |  |   |  |
| **Describe Basis for Conclusion:**  |
| **3** | Is the Grantee making a loan or grant? If no, skip to Question #4. |
| **3a** | If yes, has the loan been closed? |  |  |  |  |  |  |  |
|  | Yes |  | No |  |   |  |
| **3b** | If yes, have the CDBG funds been disbursed? |  |  |  |  |  |  |  |
|  | Yes |  | No |  |   |  |
| **3c** | If yes, have the loan documents for the CDBG loan been properly executed and recorded (with proper covenants, if applicable)? |  |  |  |  |  |  |  |
|  | Yes |  | No |  |   |  |
| **3d** | If 3b is yes, has the assisted business begun making payments of principal or interest? |  |  |  |  |  |  |  |
|  | Yes |  | No |  |   |  |
| **3e** | If yes, is the Grantee documenting and reporting Program Income appropriately? |  |  |  |  |  |  |  |
|  | Yes |  | No |  |   |  |
| **Describe Basis for Conclusion:**Note: if the answer is “no” for any of the above, provide comments regarding the status of the award and if there are any possible delays, issues, or technical assistance needed to address.  |
| **4** | Is the Grantee constructing or rehabilitating public infrastructure in support of economic development activities? If no, skip to Question #5. |  |  |  |  |  |  |  |
|  | Yes |  | No |  |  |  |
| **4a** | If yes, based on a review of the plans and specs, the bid documents, and any change orders to date, does it appear that the infrastructure has been designed to align with only what is required by the assisted business(es) or prorated if CDBG is funding a portion of the infrastructure project? |  |  |  |  |  |  |  |
|  | Yes |  | No |  |  |  |
| **Describe Basis for Conclusion:** |
| **5** | Was the activity proposed as Low/Mod Job Creation/Retention Benefit? If no, skip to Question #6. |  |  |  |  |  |  |  |
|  | Yes |  | No |  |  |  |
|  **5a** | If Yes to 5, what was the proposed number of FTE jobs (must be counted before the assistance is approved): To Be Created? \_\_\_\_\_\_\_\_\_\_\_\_ and/or To Be Retained? \_\_\_\_\_\_\_\_\_\_\_\_?  |
| **5b** | If Yes to 5, what is the number of FTE jobs created and/or retained to date?Created? \_\_\_\_\_\_\_\_\_\_\_\_ and/or Retained? \_\_\_\_\_\_\_\_\_\_\_\_?  |
| **5c** | If yes to 5, how many of those jobs were taken by or made available to LMI persons?Total Jobs \_\_\_\_\_\_\_\_\_\_\_\_ LMI Jobs \_\_\_\_\_\_\_\_\_\_\_\_ Percent LMI \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| **Describe Basis for Conclusion:** |
| **6** | If the activity was proposed as a Low/Mod Area Benefit, how was the service area of the business determined? If no, skip to 7.Describe: |
| **6a** | If yes to 6, does the documentation show that at least 51% of the service area is Low/Moderate Income? |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **Describe Basis for Conclusion:** |
| **7** | Was the activity proposed as Low/Mod Limited Cliental Microenterprise (LMCMC) Benefit? If no, skip to Section B. |  |  |  |  |  |  |  |
|  | Yes |  | No |  |  |  |
| **7a** | If yes to 7, does the documentation show that the owner(s) are Low/Moderate Income? |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **Describe Basis for Conclusion:** |

## Public Benefit Standards

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | Did the Grantee conduct basic financial underwriting prior to providing financial assistance to a for-profit business?**NOTE:** If CDBG business assistance is provided to a for-profit business, HCD requires that underwriting meets the standards at 24 CFR 570 Appendix A. However, activities in support of a Microenterprise are not required to meet the underwriting guidelines.**24 CFR 570.482(e)(1), and Appendix A to Part 570** |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **Describe Basis for Conclusion:**  |
| **2** | Did the Grantee propose to meet the Public Benefit Standard based on Low/Mod Area Benefit? If no, skip to Question #3. |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **2a** | Did the Grantee meet the Public Benefit Standard at the time of assistance? (Basis for determination must be census data or approved income survey at the time of contract execution). NOTE: To both meet the federal individual public benefit standard and comply with HCD’s rule, the activity must be expected (calculated before the assistance is provided) to benefit at least one low- and moderate-income person for every $350 of CDBG assistance. If the Grantee does not meet the HCD requirement, it should be noted as a contract violation under the Standard Agreement. If the Grantee does not meet the HUD individual public benefit standard, it would be a finding under the following citation:**24 CFR 570.482(f)(4 and 5)**  |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **Describe Basis for Conclusion:**  |
| **3** | Did the Grantee propose to meet the Public Benefit Standard based on job creation/retention? |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **3a** | If the project was a direct assistance to a business did they meet the dollar threshold per job at the time of assistance?NOTE: To meet the federal individual public benefit standard, the activity must be expected (calculated before the assistance is provided) to create or retain one FTE permanent job per $50,000 of CDBG assistance.HCD requires 1 FTE job per $35,000. If the Grantee does not meet the HCD requirement, it should be noted as a contract violation under the Standard Agreement. If the Grantee does not meet the HUD individual public benefit standard, it would be a finding under the following citation:**24 CFR 570.482(f)(4 and 5)** |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **Describe Basis for Conclusion:** |
| **4** | If the project was for public infrastructure, does the Grantee and/or assisted business have a policy and process in place to continue to track new jobs created by anyone accessing the infrastructure (if the jobs could not have otherwise been created) for one year following the completion of the CDBG infrastructure construction or until the cost per job no longer exceeds $10,000 per job, whichever comes first? [**24 CFR 570.483(b)(4)(vi)(F)(1)**](https://www.ecfr.gov/current/title-24/part-570/section-570.483#p-570.483(b)(4)(vi)(F)(1)) |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **Describe Basis for Conclusion:**  |

**Note:** If Section B. questions 2, 3, and 4 are NO, Assistance may need to be reduced and project re-underwritten to ensure viability, or the applicable business may commit to creating additional jobs to meet the Public Benefit Standard.

## Other Requirements

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1** | If applicable, is there documentation to support compliance with the Lead Hazards requirements of 24 CFR Part 35?**24 CFR 570.608** |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **Describe Basis for Conclusion:**  |
| **2** | If CDBG funds were used for construction (including rehabilitation) of real property located within the Special Flood Hazard Area (SFHA), are those assisted properties in compliance with the flood insurance purchase and community participation requirements at Sections 102(a) and 202(a) of the Flood Disaster Protection Act of 1973, as amended, and at 24 CFR 570.605 **24 CFR 570.605**  |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **Describe Basis for Conclusion:**  |
| **3** | If CDBG funds were used to rehabilitate the property, and if any tenants or owners were required to relocate permanently or temporarily, were the Uniform Relocation Requirements followed?**24 CFR 570.606 and 49 CFR Part 24** |  |  |  |  |  |  |  |
|  | Yes |  | No |  | N/A |  |
| **Describe Basis for Conclusion:**  |

## Summary

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1**   | Based on your review of the Grantee’s performance, is there a need for technical assistance concerning Special Economic Development compliance? (If yes, describe the need(s) below.)   |    |    |    |    |    |    |    |
|    | Yes   |    | No   |    | N/A   |    |
| **Describe Basis for Conclusion:**    |