Consolidated Action Plan

FY 2014

West Virginia Development Office
West Virginia Housing Development Fund
West Virginia Office of Economic Opportunity

5/14/2014

STATE OF WEST VIRGINIA

FISCAL YEAR 2014

CONSOLIDATED ACTION PLAN

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TABLE OF CONTENTS

State of West Virginia

Fiscal Year 2014 Consolidated Action Plan

Executive Summary

AP-05 Executive Summary – 24 CFR 91.200(c), 91.220(b)

This executive summary is prepared in compliance with 24 CFR 570.91.320(b). The purpose of the executive summary is to outline the State's method of distributing funds to local governments and organizations to carry out activities (or the activities to be undertaken by the State) using funds that are expected to be received under formula allocations and other HUD assistance received during the program year, including program income.

These funds are expected to be made available to address the housing-related needs and non-housing community development needs described in the strategies, priority needs, and objectives section of the five-year consolidated plan. As required by 91.320(b), the State of West Virginia will submit this FY2014 Consolidated Action Plan on or before the due date of May 15, 2014.

PR-05 Lead and Responsible Agencies – 91.300(b)

This plan is prepared as a collaborative effort of three agencies: The West Virginia Development Office is responsible for the Small Cities Block Grant program, the West Virginia Housing Development Fund is responsible for the Home Investment Partnership Program, and the West Virginia Office of Economic Opportunity is responsible for the Emergency Solutions Grant Program and the Housing Opportunities for Persons with AIDS programs.

PROGRAMS AND AVAILABLE FUNDS

FORMULA ALLOCATIONS	
SMALL CITIES BLOCK GRANT	$12,831,207
HOME INVESTMENT PARTNERSHIP PROGRAM	3,934,786
EMERGENCY SOLUTIONS GRANT	1,455,208
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	342,910
TOTAL FORMULA ALLOCATION	$18,564,110
Allocations Determined by the U.S. Department of Housing and Urban Development	

SMALL CITIES BLOCK GRANT PROGRAM (SCBG)

Prior to the receipt of any Small Cities Block Grant (SCBG) funds from the FY 2014 appropriation, the State must prepare a statement of community development objectives and projected use of funds. The projected use of funds shall consist of the method by which the State will distribute the funds to general local governments.

The primary objective of Title I of the Housing and Community Development Act of 1974, as amended, is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, not less than 70 percent of the aggregate of the federal Title I assistance distributed under this FY2014 program design statement shall be used for the support of activities that benefit persons of low and moderate income in the non-entitlement areas of West Virginia.

In order to facilitate planned improvements to the quality of life and to strengthen and expand the economic base for all West Virginia citizens and communities consistent with the Consolidated Action Plan, the following SCBG Community Development objectives are stated:

(1) Support job creation or retention efforts.

(2) Support local government efforts to provide affordable infrastructure systems to strengthen the foundations for economic growth and alleviate conditions that affect environmental quality, public health, or welfare.

(3) Support local community development efforts to assist low- to moderate-income citizens to achieve an improved quality of life by supporting locally developed strategies to protect, maintain, and expand access to facilities and services; and to revitalize deteriorating downtown and residential neighborhood areas.

Consistent with these State objectives, Small Cities Block Grant funds may be granted to eligible units of local government to fulfill one of the three national objectives:

(1) Activities benefiting low- and moderate-income persons;

(2) Activities which aid in the prevention or elimination of slums or blight;

(3) Activities designed to meet community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs.

HOME INVESTMENT PARTNERSHIP PROGRAM

The primary objective of the HOME Investment Partnership Program, or HOME Program, as established under Title II of the National Affordable Housing Act of 1990 (NAHA), as amended, and implemented at 24 CFR Part 92, is to expand the supply of decent, safe, sanitary and affordable housing, primarily rental housing; to strengthen the abilities of state and local governments to provide housing; to ensure that federal housing services, financing, and other investments are provided to state and local governments in a coordinated, supportive fashion; to expand the capacity of nonprofit community-based housing development organizations; and to leverage private sector participation in financing affordable housing. Consistent with these primary objectives, the HOME funds distributed under this FY 2014 program design statement shall be used to finance housing activities that benefit persons of low- income in the non-consortia areas of West Virginia.

The West Virginia Housing Development Fund (WVHDF), in its capacity as public body corporate and legal instrumentality of the State of West Virginia and by the direction of the Governor, is responsible for the administration of the HOME Program. The HOME Program funds are distributed through three principal subprograms: HOMEownership Opportunities, HOMErent, and Community Housing Development Organizations (CHDO). These subprograms were developed to address the affordable housing needs of the very low- and low-income persons of the rural areas of the State. HOMEownership Opportunities promotes homeownership opportunities for very low- and low-income persons through the HOME Leverage Loan Program (HLLP) and the NewHOME Loan Program. The HLLP is a direct homebuyer assistance program that provides closing cost, down-payment assistance and principal reduction loans to low- and moderate-income persons that have qualified for financial assistance through the WVHDF Mortgage Revenue Bond Program, the USDA Rural Housing Service, Section 502 Loan Program, and other private sector lending programs. The NewHOME Loan Program is a direct homebuyer assistance program that provides long term financing in the form of direct loans and deferred payment loans to finance the acquisition and construction of single-family housing for very low- and low-income persons. The HOMErent subprogram provides direct financial assistance to support the acquisition and rehabilitation of existing multi-family housing projects in order to preserve the supply of decent, affordable rental residential housing for very low-, and low-income persons.

In order to facilitate the State’s goal of providing decent, affordable housing for all low- and moderate-income families consistent with the Consolidated Plan, the following HOME Program objectives are stated:

(1) Expand homeownership opportunities.

(2) Improve the quality of existing owner-occupied housing.

(3) Increase the supply of affordable rental housing units.

Consistent with these State objectives, HOME Program funds will also be granted to qualified CHDOs that undertake activities and projects that address the established HOME Program objectives. As required under 24 CFR Part 92.300, the WVHDF will allocate not less than fifteen percent (15%) of the funds for FY2014 to CHDOs.

EMERGENCY SOLUTIONS GRANT PROGRAM (ESG)

The Office of Economic Opportunity (OEO) will administer the ESG or Emergency Solutions Grant Program, which replaced the previous Emergency Shelter Grant program and incorporates elements of the Homelessness Prevention and Rapid Re-housing Program (HPRP). While still providing support for emergency shelters and services to the homeless, the new ESG Solutions Program focuses more funding on preventing initial and recurrent homelessness, shortening the duration of homelessness, and assisting in the transition from homelessness to independent living. Essential supportive services for homeless individuals and families remain a focus but will be broadened to specifically support both sheltered and, though outreach, unsheltered homeless.

OEO estimates it will receive a 2014 allocation of $1,200,000 and the plan for distributing funds will be determined as a result of consultation with the Continuums of Care. Out of the anticipated total allocation, 7.5% will be used for administration, 60% or the maximum allowed by program regulations for street outreach and emergency shelter activities, and the remainder for homelessness prevention and rapid re-housing activities.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

The Housing Opportunities for Persons With AIDS (HOPWA) program was authorized by the National Affordable Housing Act of 1990 and revised under the Housing and Community Development Act of 1992, to provide states and localities with the resources and incentives to devise and implement long-term comprehensive strategies for meeting the housing needs of low-income persons with HIV/AIDS and their families. Activities of primary importance are providing housing assistance and services that assist this population to maintain housing stability where they can maintain complex medication regimens and address HIV/AIDS related problems.

As an eligible state, West Virginia receives a HOPWA formula grant, administered by the Office of Economic Opportunity. HOPWA provides housing and supportive services and other assistance to low-income West Virginians with HIV/AIDS. OEO grants these HOPWA funds to three project sponsors that provide a statewide service area. The HOPWA allocation is based on population and the number of reported AIDS cases. The State estimates that funds available in 2014 will be $300,000.

1) Objectives & Outcomes

HUD encourages grantees to incorporate performance-based standards in project selection where consolidated plan funds are used. Where possible with HOME, ESG, and HOPWA all funded projects will be selected based on their ability to meet the goals of HUD outcome measurement performance which are:

- Suitable Living Environment
- Decent Housing
- Creating Economic Opportunities

With the following outcome categories:

- Availability/Accessibility
- Affordability
- Sustainability: Promoting Livable or Viable Communities

Performance Measures – 91.320(e)

AP-20 Annual Goals and Objectives – 91.320(c)(3) & (e)

All activities and projects funded by the programs included in this Action Plan must meet the requirements detailed in the charts below. These charts outline the chosen objectives/outcomes and specific performance indicators.

Objectives and Outcomes Chart – Table 1

	Objective Category: Decent Housing		Objective Category: Suitable Living Environment		Objective Category: Expanded Economic Opportunities
X	Assisting homeless persons obtain affordable housing	X	Improving the safety and livability of neighborhoods		Job creation and retention
X	Assisting persons at risk of becoming homeless		Eliminating blighting influences and the deterioration of property and facilities		Establishment, stabilization and expansion of small businesses (including micro-businesses)
X	Increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability		Reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods		The provision of jobs to low-income persons living in areas affected by those program and activities under programs covered by the plan
X	Increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIVAIDS) to live in dignity and independence		Restoring and preserving properties of special historic, architectural, or aesthetic value		Availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
	Provide affordable housing that is accessible to job opportunities		Conserving energy resources and use of renewable energy sources		Access to capital and credit for development activities that promote the long-term economic social viability of the community

<u>Provide Decent Affordable Housing – Table 2</u>

Specific Objective	Objective/Outcome	Con Plan Funds	Performance Indicators	Proposed Goal
DH - 1	**Increase Availability/Accessibility of Decent Affordable Housing**			
1	Improve the availability of affordable housing through creating of new housing units	HOME	Number of permanent affordable units created	30
2	Improve the ability of those at 80% of AMI or lower with HIV/AIDS to remain stably housed	HOPWA	Number of households receiving housing assistance in same housing over 6 months	92
3	Improve quality standards of affordable housing	ESG	Number of units inspected for habitability per ESG guidelines	260
4	Support homebuyers with pre- and post-purchase counseling services	HOME	Number of households assisted with homebuyer counseling	0
DH – 2	**Improve the Affordability of Decent Affordable Housing**			
1	Improve the affordability of homeownership	HOME	Number of households purchasing a home as a result of receiving pre-purchase counseling and down payment assistance	5
2	Improve the affordability of housing through rehabilitation assistance	HOME	Number of housing units assisted with rehabilitation	10
3	Identify and assist with securing decent affordable housing for qualifying households with financial assistance	HOPWA and ESG	Number of homeless or at-risk households assisted in finding and securing decent affordable housing	20 and 145

Create Suitable Living Environments – Table 3

Specific Objective	Objective/Outcome	Con Plan Funds	Performance Indicators	Proposed Goals
SL – 1	**Increase Availability/Accessibility of Suitable Living Environment**			
1	Support programs that provide emergency services and shelter to homeless and at-risk households	ESG and HOPWA	Number of individuals receiving services	1275 and 30
SL – 2	**Increase the Sustainability of a Suitable Living Environment**			
1	Sustain State neighborhoods through public infrastructure	CDBG	Number of infrastructure/water projects completed	8

All activities will meet the above HUD criteria. Actual accomplishments will be reported in the Integrated Disbursement & Information Systems (IDIS) as of the 2014 Program year. The IDIS system provides HUD with current information regarding program activities, including funding data. HUD uses this information to report to Congress and to monitor grantees.

AP-12 Participation – 91.115, 91.300(c)

Housing and community development needs and priorities have been determined through a collaborative process. A significant part of this project included soliciting public comment to collect citizen input and coordinating data and needs with state, local, public and private community, housing, homeless, and social service organizations.

As detailed in the Action Plan, public hearings will be held throughout the state to initiate input on the 2014 Consolidated Action Plan. Public comments will be solicited for 30 days. In addition to the three public hearings, all potential participants (units of local governments, homeless providers, and housing providers) will be provided access to the action plan through the West Virginia Department of Commerce and West Virginia Development Office websites. A public comment form is also provided on the websites.

AP-50 Geographic Distribution 91.320(f)

The geographic area for the distribution of all of the programs included in this 2014 Consolidated Action Plan is the entire State of West Virginia, with the exception of HOME funds, which are limited to the forty-four (44) non-consortia counties of the State. HOME funds will not be made available in the counties of Berkeley, Brooke, Cabell, Hancock, Jefferson, Kanawha, Marshall, Morgan, Ohio, Wayne, and Wood, each of which is part of a HOME consortium.

SMALL CITIES BLOCK GRANT PROGRAM

The projected use of the SCBG funds reflects the strategy of the State for the development of non-entitlement communities in the state. This strategy is based upon the consolidated plan, the identification of local priorities, and making investments that are consistent with the objectives for the Small Cities Block Grant Program. The method of distribution is designed to permit flexibility in the utilization of other funding sources and the timing of investment decisions.

All applications determined to be eligible and to meet a national objective shall advance and be reviewed for funding consideration. The purpose of the review is to screen applications for competitiveness in relation to the amount of funds available and the objectives as set forth in section 2 of paragraph 2b. To the extent applicable, criteria to be considered during the review will include: (1) the relationship to a national objective and number of low- and moderate-income persons served, (2) the relationship to SCBG program design objectives, (3) the public health, environmental, and economic development benefits of the project, (4) the degree to which the project will correct identified deficiencies or achieve compliance with required standards, (5) the cost effectiveness of the project, (6) the availability of other sources of funding for the project, (7) the degree to which the project achieves state, regional, and local planning goals, (8) the readiness of the project to proceed, if funded, and (9) other SCBG considerations, such as existing open grants, other requests from the same area, applicant's capacity to administer and operate the project and grant if approved, fair housing initiatives proposed, impact upon minority areas, and the geographical distribution of funds.

HOME PROGRAM

The geographic area for the distribution of HOME Program funds under the HOME Leverage Loan Program (HLLP), NewHOME, HOMErent, and CHDO subprograms will be limited to the forty-four (44) non-consortia counties of the State. HOME Program funds under these subprograms will not be made available in the counties of Berkeley, Brooke, Cabell, Hancock, Jefferson, Kanawha, Marshall, Morgan, Ohio, Wayne, and Wood, each of which is part of a consortium.

The projected use of the HOME funds reflects the strategy of the State to promote the development of decent affordable housing throughout the rural areas of the State. This strategy is based upon the consolidated plan, the identification of local priorities, and financing programs and projects that are consistent with the objectives of HOME Program. The method of distribution is designed to maximize the utilization of other funding sources and promote the development of local delivery systems.

The WVHDF will be responsible for the delivery of the HOMEownership Opportunities Programs through a network of approved nonprofit originators, other governmental agencies, and private lenders. The expanded use of leverage loans will increase the number of low- and moderate-income families that can be assisted through the HOME Program. Applications for the HOME Leverage Loan Program and the NewHOME Program will be processed by the nonprofit originators, other governmental agencies, and private lenders. Loan applications will be processed in accordance with a procedure that is based on a “first ready, first served” concept. Once an applicant is considered eligible for financial assistance under the income guidelines and limited underwriting criteria, the WVHDF will reserve funding under the appropriate HOMEownership Opportunities Loan Program. Upon a determination that the property complies with the applicable property standards, environmental review requirements, and other program requirements, the WVHDF will issue a loan approval or loan commitment. The WVHDF will prepare the final closing documents and issue closing instructions to the approved closing agent, who will be responsible for collecting any compliance documents and closing the loan.

The WVHDF will be responsible for the delivery of the HOMErent Program through the issuance of Request for Proposals. Nonprofit housing organizations and private sector developers that are interested in acquiring, developing, or rehabilitating existing rental housing for low- and moderate-income persons will be invited to submit a Preliminary Proposal for Financial Assistance directly to the WVHDF. The staff of the WVHDF will review and rank the Preliminary Proposal to determine that the proposal is consistent with objectives of the HOMErent Program. If the Preliminary Proposal is approved, the WVHDF will issue a conditional commitment and reserve financing for the proposed project. The purpose of the review is to screen applications for competitiveness in relation to the amount of funds available and the objectives of the HOME Program. To the extent applicable, criteria to be considered during the review will include: (1) the number of low- and moderate-income persons served, (2) the relationship to the HOME program goals and objectives, (3) the cost effectiveness of the project, (4) the availability and commitment of other sources of funding for the project, (5) the degree to which the project achieves state, regional, and local planning goals, (6) the readiness of the project to proceed, if funded, and (7) other HOME considerations, such as existing open grants, other requests from the same area, the applicant's capacity to undertake and complete the project, if approved, fair housing initiatives proposed, impact upon minority areas, and the geographical distribution of funds.

The WVHDF will be responsible for the delivery of the HOME CHDO Program through the issuance of Request for Proposals. Nonprofit housing organizations that are interested in developing single-family housing or rental housing for low- and moderate-income persons will be invited to submit a Preliminary Proposal for Financial Assistance directly to the WVHDF. The staff of the WVHDF will review and rank the Preliminary Proposal to determine that the proposal is consistent with objectives of the HOME CHDO Program. If the Preliminary Proposal is approved, the WVHDF will issue a conditional commitment and reserve financing for the proposed project. The purpose of the review is to screen applications for competitiveness in relation to the amount of funds available and the objectives of the HOME Program. To the extent applicable, criteria to be considered during the review will include: (1) the number of low- and moderate-income persons served, (2) the relationship to the HOME program goals and objectives, (3) the cost effectiveness of the project, (4) the availability and commitment of other sources of funding for the project, (5) the degree to which the project achieves state, regional, and local planning goals, (6) the readiness of the project to proceed, if funded, and (7) other HOME considerations, such as existing open grants, other requests from the same area, the applicant's capacity to undertake and complete the project, if approved, fair housing initiatives proposed, impact upon minority areas, and the geographical distribution of funds.

EMERGENCY SOLUTIONS GRANT

The geographic distribution of ESG funds is the entire state of West Virginia. All funds are going into approved Continuum of Care areas throughout the state including the Balance of State Continuum of Care. Due to the Continuum of Care system, persons no longer have to leave their community for services.

Obstacles to Underserved Needs

Some of the primary obstacles to addressing underserved needs are as follows:

1. The lack of sufficient funds to serve the needs of all of the citizens in West Virginia. The ESG program funding has been reduced over 22 percent in the last six years, and the needs of the state are growing. The current federal, state, local, and private funding levels are insufficient to address the documented housing and community development needs throughout the state. This is a problem that realistically may never be overcome and can be assisted only by the actions of Congress and the improvement of the State's economy.

2. Insufficient capacity for delivery of housing services and other needed community services in all areas of need in the state. Nonprofit housing and community development organizations are increasing their capacity to provide assistance to low-income families and individuals. Training and technical assistance will continue to be provided to these organizations so that this obstacle can be overcome with time.

3. Shelter residents struggle to make an income that is sufficient to achieve self-sufficiency. Many homeless families and individuals are unable to leave the shelters or the transitional housing units for any extended time period, and many struggle to leave the system at all. Ongoing and improved supportive service and improved job training programs through the Continuum of Care system can reduce this obstacle, but it will continue to be a struggle for homeless persons and families in West Virginia.

AP-55 Affordable Housing – 24 CFR 91.320(g)

The State will focus its HOME Program resources on three areas:

(1) HOMEownership Opportunities (HO) with leverage loans and direct loans,

(2) Community Housing Development Organizations (CHDOs), and

(3) HOMErent with loans to promote the improvement and creation of rental housing opportunities for low- and very low-income families. The West Virginia Housing Development Fund (WVHDF), on behalf of the State, will adjust funding levels between the program areas to recapture and reallocate funds between these program areas to reflect market demands or needs arising from natural disasters as permitted under the regulations.

The State's HOME Program (Program) is operated as a direct program. The WVHDF, the State-designated HOME Program administrator, issues a permanent financing commitment for a project when all Program conditions are met, and the State retains full control of the quality of the loans. In most instances, HLLP and NewHOME loans are closed in the name of the WVHDF as an instrumentality of the State. Nonprofit Housing Providers, approved lenders, or government entities will be responsible for the submission of compliance documents before closing. Closing agents will be responsible for any compliance documents to be prepared or delivered at, or immediately following, the loan closing. CHDOs, as directed by HUD, are the only direct recipients of HOME Program funding. At least fifteen percent (15 percent) of the State's allocation will be set aside for CHDO projects.

The Fund will continue to offer leveraging opportunities during FY 2014. Leveraging will be offered to families with incomes up to the 80 percent area median income. The adoption of the leveraging plan will simultaneously include the implementation of procedures sufficient to ensure full compliance with all necessary regulations.

Home Program Match Obligation

Any HOME Program match obligation incurred by the State during FY 2014 may be met through eligible State affordable housing activities, including, but not limited to, the following:

- Mortgage Revenue Bond Program
- LAMP Program
- Payment of HOME Originator fees from the general funds of the WVHDF
- Downpayment/Closing Cost Assistance Program
- Eligible Flood Program activities
- Development Financing Program (eligible multi-family project financing)

The State may use additional sources of match to meet any match obligation if it determines that additional sources are necessary and eligible. The State may also request match reductions during FY2014 for any area in which a federal disaster declaration is made pursuant to the Stafford Act.

Lead Based Paint Policy

The WVHDF recognizes the severity of lead based paint (LBP) poisoning, and believes that the existing federally required notification of buyers and renters and the readily available blood testing for elevated lead levels available at local health departments provides adequate warning and protection. The WVHDF has no enforcement or regulatory responsibility under these regulations. OSHA regulates contractors to insure a safe environment for workers dealing with LBP, and the EPA and West Virginia Department of Environmental Protection regulate the disposal of hazardous waste.

The WVHDF has outlined the following policies to guide participants in the programs it sponsors or administers:

1) <u>Multi-family properties</u> must comply with HUD's LBP regulations. All assessment, enforcement or abatement activities will follow the most recent HUD guidelines and regulations.

2) <u>Single-family properties</u> to be eligible for HOME funding will require:

    i) For pre-1978 Structures:

(a) The structure must pass a visual assessment by an HQS qualified inspector, i.e., no peeling or flaking paint. If the structure fails, it will **not** be eligible for the Program.

(b) Provision of LBP pamphlet, to the borrower, and acknowledgement of the same in the borrower's affidavit.

(c) HOME loans cannot be used to finance the acquisition **and** rehabilitation or repair of pre-1978 structures, but can be used to fund purchases of these structures, if they pass the initial visual assessment.

ii) For post-1978 Structures:

(a) Evidence the structure was totally built after 1978. Even a pre-1978 structure with major renovations after 1978 will not qualify as a post-1978 structure, only new construction.

Additionally, the legal requirements relating to LBP from OSHA, EPA, and HUD apply to all buildings, whether the building or transaction is assisted by the WVHDF or not. The OEO and all ESG subgrantees are committed to ongoing improvement of the ability to identify lead-based paint hazards. ESG Program providers are made aware of the Lead Based Paint Requirements through training opportunities, in the ESG funding application, program assurances, and program certifications. All units assisted with Emergency Solutions Grant Rapid Re-Housing or Homelessness Prevention funding are assessed for lead based paint. If lead based paint is found in a unit in which a pregnant woman or children under six-years old will reside ESG funds are not used. All ESG re-housing and prevention program applicants receive the U.S. Environmental Protection Agency's Protect Your Family From Lead in Your Home. The OEO strives to ensure child-occupied units are lead safe when housing a child under six years of age.

AP-75 Barriers to Affordable Housing 91.320(i)

During the FY 2014 program year, each agency involved in this annual Action Plan will take part in engaging our communities and local jurisdictions in conversations regarding policies or issues that present a barrier to affordable housing development in their areas of influence. The participating agencies will seek to identify new or existing issues that represent barriers to affordable housing through active participation and engagement with our communities. This will be achieved through individual meetings, training events, public hearings and surveys.

In addition, an update to the Analysis of Impediments is being conducted for 2014. Through this update, communities and stakeholders will be asked to assist in the identification of new or existing barriers to affordable housing as well as barriers to Fair Housing choice. In addition, the West Virginia Housing Development Fund has undertaken a contract to conduct a housing needs assessment for 2014. This study is expected to provide data on potential obstacles and barriers to the provision of safe and affordable housing.

Where barriers are identified through these methods, the participating agencies will provide data and counsel to communities to assist in dispelling commonly known oppositions to affordable housing development. Where communities have instituted policies or taken actions that seek to restrict the ability to develop affordable housing, the agencies will work to engage community leaders and seek opportunities for outreach in an effort to encourage them to modify or remove these policies.

As part of this process, positive impacts that affordable housing can have on a community, such as the how the development of affordable housing can assist in the growth of a community, will be highlighted. It is believed that education is the best tool to combat barriers to affordable housing due to common misconceptions and incorrect assumptions about various aspects of affordable housing. Therefore, one area of focus will be to provide educational opportunities, through training events at the West Virginia Housing Development Fund, for developers that will educate them on methods to identify and combat barriers to the development of affordable housing.

AP-60 Public Housing – 24 CFR 91.320(j)

The State works closely with all public housing authorities. We review their annual plans and participate in direct funding of initiatives with both SCBG and HOME funds. These include housing reconstruction, the development of transitional housing, and numerous projects where the public housing authority serves as the loan originator. There are currently no troubled public housing authorities in West Virginia.

Discharge Policy – 91.325(c)(10)

The McKinney-Vento Act (42USC11362) mandates the development and implementation, to the maximum extent practicable and appropriate, of policies and protocols for the discharge of persons from public funded institutions or systems of care, such as health care facilities, foster care facilities, or other youth facilities or correction programs and facilities, in order to prevent such discharge from immediately resulting in homelessness for such persons. The sub-grantee must ensure that ESG funds are not to be used to assist such persons in place of state or local resources. The ESG program administered by the OEO has made the responsibility of following this directive of the discharge policy part of the 2010 contract. The OEO has also met with discharge policy groups to establish one policy and interpretation to be adopted by the shelters.

Amendments

The State shall amend its action plan if the method of distribution contained in the action plan submitted to HUD is to be changed. The State shall determine the necessary changes; prepare the proposed amendment; provide citizens and units of general local government with reasonable notice of, and an opportunity to comment on, the proposed amendment; consider comments received; make the action plan available to the public at the time it is submitted to HUD; and submit the amended action plan to HUD before the state may implement changes embodied in the amendment.

Monitoring

The distribution of funds will be reported upon within each program's Comprehensive Annual Performance and Evaluation Report (CAPER) in the form and format as prescribed by HUD. Fulfillment of the certifications made by the State will be monitored by HUD. These certifications include assurances that the distribution of funds under these programs will be used in furtherance of the consolidated plan and will ensure long-term compliance with the program involved, including the comprehensive planning requirements.

Individual activities approved for funding by the State shall be monitored in accordance with the regulations governing those programs to ensure sub-grantee compliance with such requirements as may be applicable to that program.

SECTION TWO
SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT ACTION PLAN

AP-20 Annual Goals and objectives – 91.320 (c)(3)&(e)

1. PURPOSE

Prior to the receipt of any Small Cities Block Grant (SCBG) funds from the FY2014 appropriation, the State must prepare a statement of community development objectives and projected use of funds. The projected use of funds shall consist of the method by which the State will distribute the funds to general local governments.

2. STATEMENT OF OBJECTIVES

a. The primary objective of Title I of the Housing and Community Development Act of 1974, as amended, is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, not less than 70 percent of the aggregate of the federal Title I assistance distributed under this FY 2014 program design statement shall be used for the support of activities that benefit persons of low and moderate income in the non-entitlement areas of West Virginia.

b. In order to facilitate planned improvements to the quality of life and to strengthen and expand the economic base for all West Virginia citizens and communities consistent with the Consolidated Plan, the following SCBG Community Development objectives are stated:

   (1) Support job creation or retention efforts.

   (2) Support local government efforts to provide affordable infrastructure systems to strengthen the foundations for economic growth and alleviate conditions that affect environmental quality, public health, or welfare.

   (3) Support local community development efforts to assist low- to moderate-income citizens to achieve an improved quality of life by supporting locally developed strategies to protect, maintain, and expand access to facilities and services; and to revitalize deteriorating downtown and residential neighborhood areas.

c. Consistent with these State objectives, Small Cities Block Grant funds may be granted to eligible units of local government to fulfill one of the three national objectives:

   (1) Activities benefiting low- and moderate-income persons;

   (2) Activities which aid in the prevention or elimination of slums or blight;

(3) Activities designed to meet community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs.

d. Performance Measurement System Implementation

The West Virginia Development Office is working with the Office of Economic Opportunity and the West Virginia Housing Development Fund to ensure performance measures are being reported. We have established the Objective (Suitable Living Environment), Outcomes (Availability/Accessibility) and Indicators (Public Facility or Infrastructure Activities on page 11477 of the Federal Register) for the Small Cities Block Grant Program and the Community Development Block Grant-Recovery (CDBG-R). This data is entered in IDIS for each program year as projects are selected for funding. We will continue working with our grantees on the implementation of this new reporting system.

AP-15 Expected Resources – 91.320(c)(1,2)

3. AVAILABILITY OF FUNDS

The State expects to receive $12,831,207 in Small Cities Block Grant funds through HUD Fiscal Year 2014 appropriations to be distributed as follows:

FY2014 ESTIMATED/PROJECTED USE OF FUNDS		
Total Estimated Appropriation		$12,831,207
State Administration		356,624
Technical Assistance		128,312
Letters of Intent for FY 2014 Funds – Existing Projects		
Burnsville, Town of	Water	1,325,000
Clay County Commission	Water	1,325,000
Wetzel County Commission	Water	1,325,000
Harman, Town of	Water	200,000
Subtotal Existing Projects		$4,175,000
Small Cities Block Grant - New Projects		$8,171,271
Allocations Determined by the U.S. Department of Housing and Urban Development		

NOTE: Existing projects that were partially funded in FY 2013 and will be fully funded based on readiness to proceed, not to exceed $5,000,000 from FY 2014 funds. Those determined not ready to proceed by September 1, 2014, will be carried over as an "Intent to Commit" from FY 2015 funds, not to exceed $5,000,000.

a. Funds accruing to the program from funds not obligated; prior year appropriations; and recaptured, reallocated, program income, or additional appropriations shall also be added to either of the Community Development pools at the discretion of the director of the Community Development Division.

b. **Intent to commit up to $5,000,000 of FY 2015 Funds.** In order to facilitate the timing of SCBG investments, to encourage timely implementation and expenditure of funds, and to be able to be responsive to projects of opportunity based upon job creation or retention, the State reserves the right to make investments by issuing "Letters of Intent" for future funding based upon the availability of such funds.

The Director reserves the right to adjust these allocations as needed, including increasing this investment up to ten percent.

c. Any amount not obligated for the "Letters of Intent to Fund from FY 2014 allocation shall be added to the "Available for Distribution to Water/Wastewater Systems." Unless a "Letter of Intent" project is terminated, such intent to fund shall be carried forward into the FY 2015 program as a "Letter of Intent."

d. **Program income** is defined in 24 CFR 570.489(e) as gross income received by a unit of local government that was generated from the use of SCBG and/or CDBG-R funds. If less than $25,000 is received in a single year by a unit of local government, those funds may be treated as miscellaneous income and will not be subject to the requirements of the SCBG program. If $25,000 or more in program income is received in a single year by a unit of local government, that generated program income will be treated as additional SCBG funds and is subject to all requirements of the SCBG program. This program income will be used to continue the same activity from which it was derived or be subject to recapture by the State.

4. RANGE OF ACTIVITIES THAT MAY BE UNDERTAKEN

An activity may be funded in whole or in part with Small Cities Block Grant funds only if all of the following criteria are met:

(1) Each activity must be eligible under Section 105 of the Act as summarized in Appendix A.

(2) Each activity must fulfill one of the three national objectives.

(3) Each activity must meet environmental review and clearance procedures.

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

5. TYPES OF GRANTS, APPLICATION PROCEDURES, AND LIMITATIONS AND CEILINGS

a. General:

Community Development Program Priority: The State will not refuse to award funds on the basis of the activity selected by a local unit of government. However, grant awards will emphasize the State's commitment toward the objectives stated in paragraph 2b.

Local financial participation will lend value to the consideration of any proposal. A project may address a single need or address a substantial portion of the identified community development and housing needs. Activities serving different geographic areas must be qualified separately.

The Community Development Division Director reserves the right to work with any eligible unit of local government on a new type of application based on community needs. This may be a pilot project in order to establish guidelines for a future type of application to be included in the program design. These projects must have a documented inability to compete under the categories listed below and assist the state's commitment toward objectives stated in paragraph 2b. The projects will be selected based on the method of distribution established in Section 7 of this program design. The application ceiling will be $500,000. The funds will be allocated based upon availability of funds at the time of application. **Self-Help Water applications meet the above criteria. Applications will once again be solicited through the Regional Planning and Development Councils; however, any Self Help Water application will be accepted year-round, based upon the availability of funds.** The Director reserves the right to establish the application deadline based on the specific needs of the project.

b. Application Categories, Ceilings, and Deadlines

NOTE: Due to recent performance measures implemented by HUD, all grantees must identify and measure, in quantitative terms, the proposed outcomes and accomplishments the project is to achieve. Application forms now include a section to address this requirement.

(1) <u>Water and Wastewater Projects</u>

(a) **Application Deadlines:** Applications postmarked or received by May 21, 2014, will be considered for funding during the FY 2014 SCBG program year.

(b) No application for water or wastewater can be submitted for SCBG funds without an Infrastructure and Jobs Development Council (IJDC) determination letter. The application should be submitted to the IJDC a minimum of ninety (90) days prior to the SCBG application deadline. The WVDO may grant a waiver and accept an application on provisional basis, provided that the project is submitted to IJDC prior to April 10, 2014. In this case, the application will be considered incomplete unless and until the IJDC determination letter is submitted to WVDO. It is the applicant’s responsibility to submit the determination letter to the WVDO. The determination letter must be submitted to WVDO by June 15, 2014. Projects submitted to IJDC after April 10, 2014 will not be considered for FY 2014 Small Cities funding.

(c) **Application Ceiling**: Eligible jurisdictions can apply for grant funds of up to **$1,500,000** of SCBG assistance. The Director reserves the right to partially fund a project if it is determined to be the best use of SCBG funds.

(d) Any eligible water and sewer application can be selected for a design and administration grant of up to $200,000, not to exceed 80 percent of total design costs. This program can be offered to competitive projects that have no design completed at the time of application. **<u>It is NOT a commitment of any future funds</u>. Applications for the balance of the funds must be submitted the following year and compete with all other projects.**

Note: Water and sewer projects will be the focus of the FY 2014 program design.

(2) <u>Job Creation Projects</u>

(a) **Application Deadline**: Applicants seeking funding for a job creation or retention project for which an actual job creation agreement exists may receive, without competition, a commitment of funds while funds are available. If no funds are available when the applicant successfully completes the application process, that applicant may receive a "Letter of Intent" to fund the project from FY2015 funds, within the amount established for that purpose.

(b) **Application Ceiling**: The amount of funding allowed for job creation projects is subject to the public benefit standards established by federal regulation. In the aggregate, not more than $35,000 per net new job created may be made available. For development-type projects (water, sewer, site development, etc.), the limit per project is **$1,250,000.** The Director reserves the right to partially fund a project if it is determined to be the best use of SCBG funds.

(3) <u>Other Community and Economic Development Projects</u>

(a) **Application Deadline**: Applications postmarked or received by May 21, 2014, will be considered for funding from the FY 2014 SCBG program year.

(b) **Application Type/Limit:**

(1) **Planning Projects**: Planning applications shall be limited to a maximum of **$100,000** of SCBG assistance, and a minimum ten percent local cash match will be required. Additional local or other funds may be necessary to perform work in this category.

Joint planning applications shall be limited to an amount not to exceed **$120,000** regardless of the number of jurisdictions in the joint application. Again, a minimum ten percent local cash match will be required.

(2) **General Community Development**: Eligible jurisdictions may apply for SCBG funds up to **$500,000**. This category includes eligible projects other than water, wastewater, and job creation/retention projects. Applications for economic development that do not have a job creation/retention agreement (land development, revolving loan fund proposals) are included in this category. The Director reserves the right to partially fund a project if it is determined to be the best use of SCBG funds.

6. ELIGIBLE APPLICANTS, THRESHOLD REQUIREMENTS

a. Eligible Applicants:

Except for those jurisdictions restricted from applying for failure to meet the threshold requirements set forth in paragraph 6b, **all non-entitlement municipal and county governments may submit one grant proposal for consideration from the FY 2014 program year.** In addition, a job creation or retention project may be submitted for consideration from the Community Development funding pool.

Two or more otherwise eligible jurisdictions may submit a joint, combination application that addresses common problems faced by the jurisdictions in combination, the solution of which requires the mutual action of the joint applicants. The project funding limit presented under "Ceilings and Limitations" is applicable for each of the jurisdictions in the combination. The community planning and citizen participation requirements are required for each of the jurisdictions involved, as well as the combination as a whole. **Due to federal budget reductions, joint applications are not encouraged.**

b. Threshold Requirements--Performance Standards:

The following jurisdictions may not apply for funds unless a waiver is obtained.

(1) Jurisdictions having active grants from the FY 2009 or earlier program years that have not received an interim closeout may not apply for another project until they are successful in receiving an interim closeout of the active project(s).

(2) Jurisdictions having active grants from the FY 2010 program year that have not initiated sufficient construction activity to bring the project to completion, may not apply for another project until such time as construction activity is at least 75 percent complete.

(3) Jurisdictions holding a FY 2014 "Letter of Intent" may not apply for funds for another project in the same category. For example, if the jurisdiction has a “Letter of Intent” for a water/wastewater project, they cannot submit a water/wastewater application; however, they can still apply for

a general community development, planning, and economic development project IF they meet the above threshold requirements. **A waiver request may be submitted; however, significant progress must have been made on the project holding the "Letter of Intent." This will be an extremely difficult waiver to obtain.**

The Director of the Community Development Division will consider requests for a waiver of the above thresholds if the applicant can show that the circumstances surrounding the failure to meet the performance standard were due to circumstances beyond the control of the applicant. If a waiver is granted, the applicant must commit to a strategy to resolve the problem, against which future performance will be measured. Failure to meet this new performance standard and subsequent closeout of the project will prohibit future waivers from being considered – job creation or retention excepted. In any case, the Director of the Community Development Division may grant a waiver for a job creation or retention project. If the problematic project was based upon job creation or retention; the director agrees that adequate efforts are being made; and, as a result of those efforts, it is reasonable to assume the jobs will be created, a waiver may be granted. In either case, the applicant must commit to a strategy to resolve the problem against which future performance will be measured. Failure to meet this new performance standard and subsequent closeout of the project will prohibit future waivers from being considered – job creation or retention excepted.

c. Threshold Requirements—Recapture Schedule

In addition to the above standards that prohibit the application of SCBG funds for the FY 2014 program, please be advised that letters will mailed in September 2014 indicating that projects funded in FY 2012 or earlier that have not entered into construction contracts by December 31, 2014, may have all funds recaptured as of January 15, 2015.

Waiver requests will be considered on a case-by-case basis. The Director of the Community Development Division will consider requests for a waiver if the applicant can show that the failure to meet the performance standard was due to circumstances beyond the control of the applicant. If a waiver is granted, the applicant must commit to a strategy to resolve the problem, against which future performance will be measured. Failure to meet this new performance standard and subsequent closeout of the project will prohibit future waivers from being considered – job creation or retention excepted. In any case, the Director of the Community Development Division may grant a waiver for a job creation or retention project. If the problematic project was based upon job creation or retention; the Director agrees that adequate efforts are being made; and, as a result of those efforts, it is reasonable to assume that jobs will be created, a waiver may be granted.

AP-30 Methods of Distribution – 91.320(d)&(k)

7. METHOD OF DISTRIBUTION

a. **General**: The projected use of funds reflects the strategy of the State for the use of Small Cities Block Grant funds for the development of communities in the state. This strategy is based upon the consolidated plan, the identification of local priorities, and making investments that are consistent with the objectives for the Small Cities Block Grant Program. The method of distribution is designed to permit flexibility in the utilization of other sources of funding and the timing of investment decisions.

b. **Application Review**: All applications determined to be eligible and to meet a national objective shall advance and be reviewed for funding. The purpose of the review is to screen applications for competitiveness in relation to the amount of funds available and the objectives as set forth in paragraph 2b. To the extent applicable, criteria to be considered during the review will include: (1) the relationship to a national objective and number of low- and moderate-income persons served, (2) the relationship to SCBG program design objectives, (3) the public health, environmental, and economic development benefits of the project, (4) the degree to which the project will correct identified deficiencies or achieve compliance with required standards, (5) the cost effectiveness of the project, (6) the availability of other sources of funding for the project, (7) the degree to which the project achieves state, regional, and local planning goals, (8) the readiness of the project to proceed, if funded, and (9) other SCBG considerations, such as existing open grants, other requests from the same area, applicant's capacity to administer and operate the project and grant, if approved, fair housing initiatives proposed, impact upon minority areas, and the geographical distribution of funds.

The following review criteria will be emphasized during the review process:

(1) Existing open grants that are not proceeding according to the timeframe established in the grant agreement.
(2) Readiness of the project to proceed.
(3) Commitment of all other funding sources.

For example, a project from a community that has no threshold restrictions, is fully funded, and has completed all design work necessary to proceed to construction will receive priority consideration from this office for funding if the project meets all of the other review criteria.

Grant awards will be made by the Governor consistent with the method of distribution as set forth herein.

c. **IJDC Review (Water, Wastewater, and Economic Development):** Upon receipt of an application, a technical evaluation and review will be conducted by the West Virginia Development Office including consultation and comments from relevant local, regional, state, and federal agencies, including those of the Infrastructure and Jobs Development Council (IJDC).

The intent of this review is to assess and clarify statements of community development and housing needs and needs of low- and moderate-income persons; assess applicant's performance in meeting citizen participation requirements; determine project eligibility in accordance with Section 105 of the Act; determine relationship to one or more of the three national objectives in accordance with 24 CFR Part 570.483; and verify consistency of the application to the recommendation of the IJDC, if applicable. Applications determined not to be eligible or not to fulfill a national objective shall be removed from funding consideration and the applicant so notified. No action shall be taken inconsistent with the recommendations of the IJDC.

d. **FY2014 Letters of Intent**: Holders of "Letters of Intent" must submit a status report requesting release of those funds. On the basis of this report, the West Virginia Development Office shall obligate those funds to the project unless it is determined that adequate progress has not been made and the funds will not be needed for expenditure during the program year. The basis for this decision will include the availability of other funds needed to implement the project, status of engineering design, projected bid dates, and the status of any permits or approvals required by other agencies.

e. **Cost Overruns**: Requests for cost overruns may be submitted at any time during the year and considered without competition. Cost overruns cannot include an increase in the scope of the approved project unless it is clearly demonstrated that the new scope is required by regulatory agencies. In addition, cost overruns cannot bring a project's total above the funding ceiling established for the project type. The Director of the Community Development Division has the authority to approve cost overruns less than $100,000. All others must obtain IJDC approval (for water and sewer projects only) and must be approved by the Governor's Office.

f. **Cost Underruns**: The WVDO reserves the right to recapture all unexpended funds remaining upon project completion.

g. **Grant Anticipation Notes (GANS)**: Due to the WVDO efforts to improve our expenditure rate, a new program is being initiated to allow grantees that have a full split year commitment to borrow funds in anticipation of a future SCBG allocation. This will allow projects to move forward in a timely manner and not wait for the formal commitment of SCBG funds. The application forms have been altered to include a line item for all costs associated with the GANS. If project has potential to be considered for a GANS, we recommend a $50,000 line item to ensure that all soft costs associated with this interim financing program are covered.

8. <u>PLANS OF THE STATE TO MINIMIZE DISPLACEMENT</u>

Section 104(d) of Title I of the Housing and Community Development Act of 1974 contains requirements for a residential anti-displacement and relocation assistance plan. Each State recipient must adopt, make public, and certify to the State that it is following a "residential anti-displacement and relocation assistance plan." The Federal Register at 24 CFR, Part 570.488, sets forth relocation, displacement, replacement housing, and real property acquisition policies and requirements applicable to the State Small Cities Block Grant program.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

9. SECTION 108 LOAN GUARANTEE PROGRAM

Units of local government (ULG) in non-entitlement areas may apply for funding under HUD's Section 108 Community Development Loan Guarantee Program in accordance with 24 CFR Part 570, sub-part M. The Community Development Block Grant (CDBG) Section 108 Program is a flexible economic and community development-financing tool. These projects must represent prudent and sound investments that will return substantial public benefits, but cannot proceed without assistance from the Section 108 Program. The ULG must show that efforts were made to obtain other financing for the project but the ULG was unsuccessful in securing other dollars and/or could not complete such financing consistent with the timely execution of the program plans without such guarantee.

In order to be considered, a Section 108 project must meet all applicable CDBG requirements and be related to economic development under one or both of the following National Objectives:

- Benefit to low- to moderate-income persons; or
- Elimination of a slums and blighted condition.

Priority will be given to Section 108 projects related to economic development for which an actual job creation agreement exists between the applicant and a new or existing industry that would then allow the ULG to enter into a job creation agreement with this office. Projects considered by the West Virginia Development Office (WVDO) to be "speculative" or those seeking assistance for "up-front" costs shall not be reviewed favorably. Projects that are eligible for financing under existing federal, state, regional, or local programs will generally not be considered for Section 108 assistance unless the programs would fail to fully meet the project's need.

Unlike the traditional CDBG program, the Section 108 Program does not operate through the issuance of grants or loans by the WVDO. Rather, funds are raised through WVDO's "Pledge Grants" to the U.S. Department of Housing and Urban Development (HUD) in order to obtain a federal guarantee of notes issued by the local government. The federally guaranteed notes are sold into private markets through public offerings conducted by HUD. By approving a project, a State pledges its current and future CDBG funds as the ultimate repayment source should a Section 108 loan default. Therefore, it is anticipated that the primary source of repayment of the Section 108 loan amount will be from the projected cash flow of the project. The WVDO may require additional security to be pledged from the ULG for loan repayment. Only those projects that the WVDO determines can generate sufficient revenue from local and project resources to debt service all obligations will be competitive under the State's Section 108 rating and selection system. The state's participation in the Section 108 program does not involve a pledge of West Virginia's full faith and credit. HUD makes the ultimate approval or denial of the federal guarantee.

No commitment to guarantee shall be made if the total outstanding notes or obligations guaranteed under the Section 108 program exceed $7,000,000. The amount any one project may receive shall be limited to not more than $3,000,000 or less than $100,000. It should be noted that Section 108 funds may not be used for administrative costs.

Project application documentation shall be evaluated for meeting basic HUD eligibility requirements. Projects must attract private investment and be financially feasible. No funds may be used for the refinancing of existing debt. The quality of the jobs to be created; the relationship of the project to State economic development initiatives or plans; and standard credit considerations that include the assessment of risk, the terms of the loan, and the availability of accepted collateral will be considered. Review analysis will include, but will not be limited to:

(1) Types of jobs to be created or retained, benefits provided, opportunity for longevity.

(2) Historical and projected financial statements prepared in accordance with generally accepted accounting principles.

(3) Personal financial statements of stockholders in the "for-profit" business being assisted.

(4) Appraisals, environmental assessments, historical reviews, surveys, and feasibility studies.

(5) Resumes of the management team of the "for-profit" being assisted.

(6) Product description and analysis.

(7) Market analysis of the project or service.

(8) Loan commitments, option agreements, leases, and/or borrowing agreements, as appropriate.

Complete Section 108 applications will be accepted on a continuing basis. Applications determined to be eligible and fulfilling all HUD requirements will be reviewed. The State reserves the right to request and require any additional information or impose additional requirements it determines necessary to make a responsible decision regarding the loan. After having evaluated the proposed application, the final decision as to whether to forward the application to HUD will be at the sole discretion of the West Virginia Economic Development Authority.

10. <u>FLOAT FINANCING ELIGIBLE ACTIVITIES</u>

The Community Development Division reserves the right to consider “floating” other state and federal agency commitments to projects that already have a SCBG commitment in order to reduce the high letter of credit balance with HUD.

The Community Development Division may consider “floating” other types of projects ONLY if an irrevocable line of credit is available and it meets all of the conditions stated below:

a. Method of Identifying Funds to Float: The Community Development Division will identify slow-moving projects that will not be ready to proceed to construction within the timeframe of the float being considered. These funds will be earmarked for the float. IF a slow-moving project needs the funds prior to the payback of the float, newer projects that will not be ready to proceed to construction within the timeframe of the float will be substituted. A list of these projects will be available for HUD review upon request.

b. Method of Distribution: "Floats" will not exceed $10,000,000 annually and will not exceed $20,000,000 over the 2.5-year term. There will be no additional cap on the amount of each "float" with any one unit of local government.

"Floats" will only be made to units of local government for projects that already have a SCBG binding commitment AND a binding commitment letter from an approved state and/or federal agency or private organization that meet the following criteria:

(1) The repayment will generate the amount of the "float" funded activity. No program income above the amount of the actual "float" will be generated.

(2) Assurance by the unit of local government that the "float" will meet all of the SCBG criteria. All activities included in "float" must meet all SCBG criteria. All funds will be monitored and tracked according to the terms in the existing Grant Agreement.

(3) The state and/or federal agency can provide full security through their funding portfolio and or reserves. This will ensure full repayment within 30 days of the due date in the case of default. Unless an "Irrevocable Letter of Credit" is provided, detailed security information will be approved by HUD as required in 24 CFR 570.301(b)(4)(iv).

(4) Any extension to the 2.5 years will be considered to be a new float-funded activity.

11. ESTIMATE OF BENEFIT TO LOW- AND MODERATE-INCOME PERSONS

It is anticipated that approximately $13,000,000 million will be awarded for activities that will benefit low- and moderate-income persons during FY2014. The State's annual allocation of funds will be determined by the U.S. Department of Housing and Urban Development through a formula allocation.

12. WAIVER FOR FEDERAL DISASTER PROVISION

Upon a federal disaster declaration by the Federal Emergency Management Agency, the Governor may allocate up to 100 percent of any funds not obligated toward disaster relief and waive any requirement not required by law or regulation.

AP-15 Expected Resources (partial) – 91.320(c)(1,2)

13. OTHER RESOURCES

The State of West Virginia will utilize multiple sources of state, federal, local, and private funds to address the needs identified in this action plan as detailed below. The Small Cities Block Grant Program does not require a match (with the exception of Planning Grants); however, credit is given for leveraged funds during the review process.

1. **Infrastructure and Jobs Development Council (IJDC) Grants and Loans**
   IJDC grants and loans are determined through an extensive review process involving all state regulatory and funding agencies. Loan funds have interest rates between 0 percent and 3 percent with a term not to exceed 40 years.

2. **Drinking Water Revolving Loan Funds (DWTRF)**
   These loan funds have interest rates between 1 percent and 3 percent with a term not to exceed 30 years.

3. **Clean Water Revolving Loan Funds (CWSRF)**
   These funds have interest rates between 1 percent and 3 percent with a term not to exceed 30 years.

4. **Water Development Authority**
   Market rate loan funds. Terms are negotiable.

5. **Local Lending Institutions**
   Many applicants borrow funds from local banks to complete the preliminary design work necessary to prepare proper applications and demonstrate readiness to proceed.

6. **Additional Funds**
   Additional funds are committed to projects from other state and federal grant and loan programs, as well as local funding. More than $40 million in additional funds were leveraged through various sources for projects awarded in FY 2013.

7. **Private Resources**
   Private funds should be available for projects involving economic development. The previous two SCBG Job Creation Projects awarded leveraged more than $18 million in private funds.

8. **West Virginia Development Office**
   In addition to the state and local resources discussed above, the State of West Virginia will commit approximately $237,203 to meet the HUD administrative match requirement. This figure will be included in the 424 Form – Application for Federal Assistance.

TABLE 3A-SMALL CITIES BLOCK GRANT PROGRAM

PERFORMANCE MEASUREMENT SYSTEM

Specific Obj. #	Outcome/Objective Specific Objectives	Sources of Funds	Performance Indicators	Year	# of Projects	Expected Number (Households)	Actual Number (Households)	# of Projects Completed	Percent Completed
SL-1 Availability/Accessibility to Suitable Living Environment									
SL1-1	Address the availability/accessibility of a su	SCBG	1A. Number of persons assisted with new access to infrastructure.	2008	33	7,448	7,488	29	88%
				2009	29	6,682	6,682	19	66%
				2010	31	9,573	9,573	11	35%
			1B. Number of persons with improved access to infrastructure.	2011	23	5,857	5,857	0	0%
				2012	17	5,483	5,483	0	0%
				2013	15	3,671	3,671	0	0%
EO-1 Availability/Accessibility to Economic Opportunity									
EO-1.1	Availability/Accessibility to economic opportunity	SCBG	10. Number of jobs created	2007		n/a			
				2008		n/a			
				2009		n/a			
				2010		n/a			
				2011		n/a			
				2012					
				2005					
				2006					
				2007					
				2008					
				2009					
				MULTI-YEAR GOAL					

APPENDIX A—ELIGIBLE ACTIVITIES

[Code of Federal Regulations]
[Title 24, Volume 3, Parts 500 to 699]
Revised as of April 1, 1999]
From the U.S. Government Printing Office via GPO Access
[Cite: 24CFR570]

Title 24—HOUSING AND URBAN DEVELOPMENT

CHAPTER V—OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PART 570—COMMUNITY DEVELOPMENT BLOCK GRANTS—Table of Contents

Subpart C—Eligible Activities
Source: 53 FR 34439, Sept. 6, 1988, unless otherwise noted.

Sec. 570.200 General policies.

(a) Determination of eligibility. An activity may be assisted in whole or in part with CDBG funds only if all of the following requirements are met:

(1) Compliance with section 105 of the Act. Each activity must meet the eligibility requirements of section 105 of the Act as further defined in this subpart.

(2) Compliance with national objectives. Grant recipients under the Entitlement and HUD-administered Small Cities programs must certify that their projected use of funds has been developed so as to give maximum feasible priority to activities which will carry out one of the national objectives of benefit to low and moderate income families or aid in the prevention or elimination of slums or blight; the projected use of funds may also include activities which the recipient certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs. Consistent with the foregoing, each recipient under the Entitlement and HUD-administered Small Cities programs must ensure, and maintain evidence that each of its activities assisted with CDBG funds meets one of the three national objectives as contained in its certification. Criteria for determining whether an activity addresses one or more of these objectives are contained at Sec. 570.208.

(3) Compliance with the primary objective. The primary objective of the Act is described in section 101(c) of the Act. Consistent with this objective, Entitlement recipients and recipients of the HUD-administered Small Cities program in Hawaii must ensure that over a period of time specified in their certification not to exceed three years, not less than 70 percent of the aggregate of CDBG fund expenditures shall be for activities meeting the criteria under Sec. 570.208(a) or Sec. 570.208(d)(5) or (6) for benefiting low- and moderate-income persons; Insular area recipients must meet this requirement for each separate grant. The requirements for the HUD-administered Small Cities program in New York are in Sec. 570.420(e)(2). Additional requirements for the HUD-administered Small

Cities program in Hawaii are in Sec. 570.430(e). In determining the percentage of funds expended for such activities:

(i) Cost of administration and planning eligible under Sec. 570.205 and 570.206 will be assumed to benefit low and moderate income persons in the same proportion as the remainder of the CDBG funds and, accordingly shall be excluded from the calculation;

(ii) Funds deducted by HUD for repayment of urban renewal temporary loans pursuant to Sec. 570.802(b) shall be excluded;

(iii) Funds expended for the repayment of loans guaranteed under the provisions of subpart M shall also be excluded;

(iv) Funds expended for the acquisition, new construction or rehabilitation of property for housing that qualifies under Sec. 570.208(a)(3) shall be counted for this purpose but shall be limited to an amount determined by multiplying the total cost (including CDBG and non-CDBG costs) of the acquisition, construction or rehabilitation by the percent of units in such housing to be occupied by low and moderate income persons.

(v) Funds expended for any other activities qualifying under Sec. 570.208(a) shall be counted for this purpose in their entirety.

(4) Compliance with environmental review procedures. The environmental review procedures set forth at 24 CFR part 58 must be completed for each activity (or project as defined in 24 CFR part 68), as applicable.

(5) Cost principles. Cost incurred, whether charged on a direct or an indirect basis, must be in conformance with OMB Circulars A-87, “Cost Principles for State, Local, and Indian Tribal Governments”; A-122, “Cost Principles for Nonprofit Organizations”; or A-21, “Cost Principles for Educational Institutions,” as applicable.\1\ All items of cost listed in Attachment B of these Circulars that require prior Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in Attachment A of such circulars and are otherwise eligible under this subpart C, except for the following:

\1\ These circulars are available from the American Communities Center by calling: 800-998-9999 or (800) 483-2209 (TDD).

(i) Depreciation methods for fixed assets shall not be changed without HUD’s specific approval or, if charged through a cost allocation plan, the Federal cognizant agency.

(ii) Fines and penalties (including punitive damages) are unallowable costs to the CDBG program.

(iii) Pre-award costs are limited to those authorized under paragraph (h) of this section.

(b) Special policies governing facilities. The following special policies apply to:

(1) Facilities containing both eligible and ineligible uses. A public facility otherwise eligible for assistance under the CDBG program may be provided with CDBG funds even if it is part of a multiple use building containing eligible uses, if:

(i) The facility which is otherwise eligible and proposed for assistance will occupy a designated and discrete area within the larger facility; and

(ii) The recipient can determine the costs attributable to the facility proposed for assistance as separate and distinct from the overall costs of the multiple-use building and/or facility.

Allowable costs are limited to those attributable to the eligible portion of the building or facility.

(2) Fees for use of facilities. Reasonable fees may be charged for the use of the facilities assisted with CDBG funds, but charges such as excessive membership fees, which will have the effect of precluding low and moderate income persons from using the facilities, are not permitted.

(c) Special assessments under the CDBG program. The following policies relate to special assessments under the CDBG program:

(1) Definition of special assessment. The term “special assessment” means the recovery of the capital costs of a public improvement, such as streets, water or sewer lines, curbs, and gutters, through a fee or charge levied or filed as a lien against a parcel of real estate as a direct result of benefit derived from the installation of a public improvement, or a one-time charge made as a condition of access to a public improvement. The term does not relate to taxes, or the establishment of the value of real estate for the purpose of levying real estate, property, or ad valorem taxes, and does not include periodic charges based on the use of a public improvement, such as water or sewer user charges, even if such charges include the recovery of all or some portion of the capital costs of the public improvement.

(2) Special assessment to recover capital costs. Where CDBG funds are used to pay all or part of the cost of a public improvement, special assessments may be imposed as follows:

(i) Special assessments to recover the CDBG funds may be made only against properties owned and occupied by persons not of low and moderate income. Such assessments constitute program income.

(ii) Special assessments to recover the non-CDBG portion may be made provided that CDBG funds are used to pay the special assessment in behalf of all properties owned and occupied by low and moderate income persons; except that CDBG funds need not be used to pay the special assessments in behalf of properties owned and occupied by moderate income persons if the grant recipient certifies that it does not have sufficient CDBG funds to pay the assessments in behalf of all of the low and moderate income owner-occupant persons. Funds collected through such special assessments are not program income.

(3) Public improvements not initially assisted with CDBG funds. The payment of special assessments with CDBG funds constitutes CDBG assistance to the public improvement. Therefore, CDBG funds may be used to pay special assessments provided:

(i) The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under this part including environmental, citizen participation and Davis-Bacon requirements;

(ii) The installation of the public improvement meets a criterion for national objectives in Sec. 570.208(a)(1), (b), or (c); and

(iii) The requirements of Sec. 570.200(c)(2)(ii) are met.

(d) Consultant activities. Consulting services are eligible for assistance under this part for professional assistance in program planning, development of community development objectives, and other general professional guidance relating to program execution. The use of consultants is governed by the following:

(1) Employer-employee type of relationship. No person providing consultant services in an employer-employee type of relationship shall receive more than a reasonable rate of compensation for personal services paid with CDBG funds. In no event, however, shall such compensation exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule. Such services shall be evidenced by written agreements between the parties, which detail the responsibilities, standards, and compensation.

(2) Independent contractor relationship. Consultant services provided under an independent contractor relationship are governed by the procurement requirements in 24 CFR 85.36, and are not subject to the compensation limitation of Level IV of the Executive Schedule.

(e) Recipient determinations required as a condition of eligibility. In several instances under this subpart, the eligibility of an activity depends on a special local determination. Recipients shall maintain documentation of all such determinations. A written determination is required for any activity carried out under the authority of Sec. 570.01(f), 570.201(i)(2), 570.201(p),570.201(q), 570.202(b)(3), 570.206(f), 570.209, and 570.309.

(f) Means of carrying out eligible activities. (1) Activities eligible under this subpart, other than those authorized under Sec. 570.204(a), may be undertaken, subject to local law:

(i) By the recipient through:

(A) Its employees, or

(B) Procurement contracts governed by the requirements of 24 CFR 85.36; or

(ii) Through loans or grants under agreements with subrecipients, as defined at Sec. 570.500(c); or

(iii) By one or more public agencies, including existing local public agencies, that are designated by the chief executive officer of the recipient.

(2) Activities made eligible under Sec. 570.204(a) may only be undertaken by entities specified in that section.

(g) Limitation on planning and administrative costs. No more than 20 percent of the sum of any grant, plus program income, shall be expended for planning and program administrative costs, as defined in Secs. 570.105 and 570.206, respectively. Recipients of entitlement grants under subpart D of this part shall conform with this requirement by limiting the amount of CDBG funds obligated for planning plus administration during each program year to an amount no greater than 20 percent of the sum of its entitlement grant made for that program year (if any) plus the program income received by the recipient and its subrecipients (if any) during that program year.

(h) Reimbursement for pre-award costs. The effective date of the grant agreement is the program year start date that the consolidated plan is received by HUD, whichever is later. For a Section 108 loan guarantee, the effective date of the grant agreement is the date of HUD execution of the grant agreement amendment for the particular loan guarantee commitment.

(1) Prior to the effective date of the grant agreement, a recipient may incur costs or may authorize a subrecipient to incur costs, and then after the effective date of the grant agreement pay those costs using its CDBG funds, provided that:

(i) The activity for which the costs are being incurred is included in a consolidated plan action plan or an amended consolidated plan action plan (or application under subpart M of this part) prior to the costs being incurred.

(ii) Citizens are advised of the extent to which these pre-award costs will affect future grants

(iii) The costs and activities funded are in compliance with the requirements of this part and with the Environmental Review Procedures stated in 24 CFR part 58;

(iv) The activity for which payment is being made complies with the statutory and regulatory provisions in effect at the time the costs are paid for with CDBG funds;

(v) CDBG payment will be made during a time no longer than the next two program years following the effective date of the grant agreement or amendment in which the activity is first included; and

(vi) The total amount of pre-award costs to be paid during any program year pursuant to this provision is no more than the greater of 25 percent of the amount of the grant made for that year or $300,000.

(2) Upon the written request of the recipient, HUD may authorize payment of pre-award costs for activities that do not meet the criteria at paragraph (h)(1)(v) or (h)(1)(vi) of this section, if HUD determines, in writing, that there is good cause for granting an exception upon consideration of the following factors, as applicable:

(i) Whether granting the authority would result in a significant contribution to the goals and purposes of the CDBG program;

(ii) Whether failure to grant the authority would result in undue hardship to the recipient or beneficiaries of the activity;

(iii) Whether granting the authority would not result in a violation of a statutory provision or any other regulatory provision;

(iv) Whether circumstances are clearly beyond the recipient's control; or

(v) Any other relevant considerations.

(i) Urban Development Action Grant. Grant assistance may be provided with Urban Development Action Grant funds, subject to provisions of subpart G, for:

(1) Activities eligible for assistance under this subpart; and

(2) Notwithstanding the provisions of Sec. 570.207, such other activities as the Secretary may determine to be consistent with the purposes of the Urban Development Action Grant program.

(j) Constitutional prohibition. In accordance with First Amendment Church/State Principles, as a general rule, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities. The following restrictions and limitations therefore apply to the use of CDBG funds.

(1) CDBG funds may not be used for the acquisition of property or the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures to be used for religious purposes or which will otherwise promote religious interests. This limitation includes acquisition of property for ownership by primarily religious entities and the construction or rehabilitation (including historic preservation and removal of architectural barriers) of structures owned by such entities (except as permitted under paragraph (j)(2) of this section with respect to rehabilitation and under paragraph (j)(4) of this section with respect to repairs undertaken in connection with public services) regardless of the use to be made of the property or structure. Property owned by primarily religious entities may be acquired with CDBG funds at not more than fair market value for non-religious use.

(2) CDBG funds may be used to rehabilitate buildings owned by primarily religious entities to be used for a wholly secular purpose under the following conditions:

(i) The building (or portion thereof) that is to be improved with the CDBG assistance has been leased to an existing or newly established wholly secular entity (which may be an entity established by the religious entity);

(ii) The CDBG assistance is provided to the lessee (and not the lessor) to make the improvements;

(iii) The leased premises will be used exclusively for secular purposes available to persons regardless of religion;

(iv) The lease payments do not exceed the fair market rent of the premises as they were before the improvements are made;

(v) The portion of the cost of any improvements that also serve a non-leased part of the building will be allocated to and paid for by the lessor;

(vi) The lessor enters into a binding agreement that unless the lessee, or a qualified successor lessee, retains the use of the leased premises for a wholly secular purpose for at least the useful life of the improvements, the lessor will pay to the lessee an amount equal to the residual value of the improvements;

(vii) The lessee must remit the amount received from the lessor under paragraph (j)(2)(vi) of this section to the recipient or subrecipient from which the CDBG funds were derived. The lessee can also enter into a management contract authorizing the lessor religious entity to use the building for its intended secular purpose, e.g., homeless shelter, provision of public services. In such case, the religious entity must agree in the management contract to carry out the secular purpose in a manner free from religious influences in accordance with the principles set forth in paragraph (j)(3) of this section.

(3) As a general rule, CDBG funds may be used for eligible public services to be provided through a primarily religious entity, where the religious entity enters into an agreement with the recipient or subrecipient from which the CDBG funds are derived that, in connection with the provision of such services:

(i) It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

(ii) It will not discriminate against any person applying for such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

(iii) It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of such public services;

(4) Where the public services provided under paragraph (j)(3) of this section are carried out on property owned by the primarily religious entity, CDBG funds may also be used for minor repairs to such property which are directly related to carrying out the public services where the cost constitutes in dollar terms only an incidental portion of the CDBG expenditure for the public services.

(5) [53 FR 34439, September 6, 1998, as amended at 54 FR 47031, Nov. 8, 1989; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 5, 1995; 60 FR 17445, Apr. 6, 1995; 60 FR 56910, Nov. 9, 1995; 61 FR 11476, Mar. 20, 1996; 61 FR 18674, Apr. 29, 1996]

Section 570.201 Basic Eligible Activities.

CDBG funds may be used for the following activities:

(a) Acquisition. Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of Sec. 570.207.

(b) Disposition. Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in Sec. 570.504.

(c) Public facilities and improvements. Acquisition, construction, reconstruction, rehabilitation or installation of public facilities and improvements, except as provided in Sec. 570.207(a), carried out by the recipient or other public or private nonprofit entities. (However, activities under this paragraph may be directed to the removal of material and architectural barriers that restrict the mobility and accessibility of elderly or severely disabled persons to public facilities and improvements, including those provided for in Sec. 570.207(a)(1). In undertaking such activities, design features and improvements which promote energy efficiency may be included. Such activities may also include the execution of architectural design features, and similar treatments intended to enhance the aesthetic quality of facilities and improvements receiving CDBG assistance, such as decorative pavements, railings, sculptures, pools of water and fountains, and other works of art. Facilities designed for use in providing shelter for persons having special needs are considered public facilities and not subject to the prohibition of new housing construction described in Sec. 570.207(b)(3). Such facilities include shelters for the homeless; convalescent homes; hospitals, nursing homes; battered spouse shelters; halfway houses for run-away children, drug offenders or parolees; group homes for mentally retarded persons and temporary housing for disaster victims. In certain cases, nonprofit entities and subrecipients including those specified in Sec. 570.204 may require title to public facilities. When such facilities are owned by nonprofit entities or subrecipients, they shall be operated so as to be open for use by the general public during all normal hours of operation. Public facilities and improvements eligible for assistance under this paragraph are subject to the policies in Sec. 570.200(b).

(d) Clearance activities. Clearance, demolition, and removal of buildings and improvements, including movement of structures to other sites. Demolition of HUD-assisted housing units may be undertaken only with the prior approval of HUD.

(e) Public services. Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, welfare (but excluding the provision of income payment identified under Sec. 570.207(b)(4)), homebuyer down-payment assistance, or recreational needs. To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the state in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government.) The amount of CDBG funds used for public services shall not exceed paragraphs (e) (1) or (2) of this section, as applicable:

(1) The amount of CDBG funds used for public services shall not exceed 15 percent of each grant, except that for entitlement grants made under subpart D of this part, the amount shall not exceed 15 percent of the grant plus 15 percent of program income, as defined in Sec. 570.500(a). For entitlement grants under subpart D of this part, compliance is based on limiting the amount of CDBG funds obligated for public service activities in each program year to an amount no greater than 15 percent of the entitlement grant made for that program year plus 15 percent of the program income received during the grantee's immediately preceding program year.

(2) A recipient which obligated more CDBG funds for public services than 15 percent of its grant funded from Federal fiscal year 1982 or 1983 appropriations (excluding program income and any assistance received under Public Law 98-8), may obligate more CDBG funds than allowable under paragraph (e)(1) of this section, so long as the total amount obligated in any program year does not exceed:

(i) For an entitlement grantee, 15 percent of the program income it received during the preceding program year; plus

(ii) A portion of the grant received for the program year which is the highest of the following amounts:

(A) The amount determined by applying the percentage of the grant it obligated for public services in the 1982 program year against the grant for its current program year;

(B) The amount determined by applying the percentage of the grant it obligated for public services in the 1983 program year against the grant for its current program year;

(C) The amount of funds it obligated for public services in the 1982 program year; or,

(D) The amount of funds it obligated for public services in the 1983 program year.

(f) Interim assistance. (1) The following activities may be undertaken on an interim basis in areas exhibiting objectively determinable signs of physical deterioration where the recipient has determined that immediate action is necessary to arrest the deterioration and that permanent improvements will be carried out as soon as practicable:

(j) The repairing of streets, sidewalks, parks, playgrounds, publicly owned utilities, and public buildings; and

(iii) The execution of special garbage, trash, and debris removal, including neighborhood cleanup campaigns, but not the regular curbside collection of garbage or trash in an area.

(3) In order to alleviate emergency conditions threatening the public health and safety in areas where the chief executive officer of the recipient determines that such an emergency condition exists and requires immediate resolution, CDBG funds may be used for:

(i) The activities specified in paragraph (f)(1) of this section, except for the repair of parks and playgrounds;

(ii) The clearance of streets, including snow removal and similar activities, and

(iii) The improvement of private properties.

(3) All activities authorized under paragraph (f)(3) of this section are limited to the extent necessary to alleviate emergency conditions.

(g) Payment of non-Federal share. Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of CDBG activities, provided, that such payment shall be limited to activities otherwise eligible and in compliance with applicable requirements under this subpart.

(h) Urban renewal completion. Payment of the cost of completing an urban renewal project funded under Title I of the Housing Act of 1948 as amended. Further information regarding the eligibility of such costs is set forth in Sec. 570.801.

(i) Relocation. Relocation payments and other assistance for permanently and temporarily relocated individuals, families, businesses, nonprofit organizations, and farm operations where the assistance is (1) required under the provisions of Sec. 570.570.606(b) or (c); or (2) determined by the grantee to be appropriate under the provisions of Sec. 570.606(d).

(j) Loss of rental income. Payments 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 assisted under this part.

(k) Housing services. Housing services, as provided in section 105(a)(21) of the Act (42 U.S.C. 5305(a)(21).

(l) Privately owned utilities. CDBG funds may be used to acquire, construct, reconstruct, rehabilitate, or install the distribution lines and facilities of privately owned utilities, including the placing underground of new or existing distribution facilities and lines.

(m) Construction of housing. CDBG funds may be used for the construction of housing assisted under section 17 of the United States Housing Act of 1937.

(n) Homeownership assistance. Subject to statutory authority, CDBG funds may be used to provide direct homeownership assistance to low- and moderate-income households, as provided in section 105(q)(25) of the Act.

(o)(1) The provision of assistance either through the recipient directly or through public and private organizations, agencies, and other subrecipients (including nonprofit and for-profit subrecipients) to facilitate economic development by:

(i) Providing credit, including, but not limited to, grants, loans, loan guarantees, and other forms of financial support, for the establishment , stabilization, and expansion of microenterprises;

(ii) Providing technical assistance, advice, and business support services to owners of microenterprises and persons developing microenterprises; and

(iii) Providing general support, including, but not limited to, peer support programs, counseling, child care, transportation, and other similar services, to owners of microenterprises and persons developing microenterprises.

(6) Services provided this paragraph (o) shall not be subject to the restrictions on public services contained in paragraph (e) of this section.

(7) For purposes of this paragraph (o), “persons developing microenterprises” means such persons who have expressed interest and who are, or after an initial screening process are expected to be, actively working toward developing businesses, each of which is expected to be a microenterprise at the time it is formed.

(8) Assistance under this paragraph (o) may also include training, technical assistance, or other support services to increase the capacity of the recipient or subrecipient to carry out the activities under this paragraph (o).

(p) Technical assistance. Provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities. (The recipient must determine, prior to the provision of the assistance, that the activity for which it is attempting to build capacity would be eligible for assistance under this subpart C, and that the national objective claimed by the grantee for this assistance can reasonably be expected to be met once the entity has received the technical assistance and undertakes the activity.) Capacity building for private or public entities (including grantees) for other purposes may be eligible under Sec. 570.205.

(q) Assistance to institutions of higher education. Provision of assistance by the recipient to institutions of higher education when the grantee determines that such an institution has demonstrated a capacity to carry out eligible activities under this subpart C.

(r) [53 FR 34439, Sept. 6, 1988, as amended at 53 FR 31239, Aug. 27, 2988; 55 FR 29308, July 18, 1990; 57 FR 27119, June 17, 1992; 60 FR 1943, Jan. 15, 1995; 60 FR 56911, Nov. 9, 2995; 612 FR 18674, Apr. 29, 1996]

SECTION THREE
2014 HOME ACTION PLAN

The State of West Virginia anticipates receiving an estimated allocation of $3,934,786 through the HOME Investment Partnership Program, or HOME Program for federal fiscal year in 2014 (FY 2014). In addition to the FY 2014 allocation of $3,934,786 the HOME Program will generate approximately $1,900,000 in HOME Program Income.

The West Virginia Housing Development Fund, in its capacity as a public body corporate and legal instrumentality of the State of West Virginia and at the direction of the Governor, has been designated as the agency responsible for the development of the housing component of the Consolidated Plan and is responsible for the implementation and administration of the HOME Program.

The following summary shows the expected use and amount of FY 2014 HOME Program funds and Program Income:

Program/Activity	**HOME Funding**	**Program Income***
NewHOME Program	$ 500,000	$ 1,320,000
HOME Leverage Loan Program	$ 100,000	
HOME Single Family Rehabilitation Program	$	$ 300,000
HOMErent Program	$ 2,154,350	
Community Housing Development Organizations (CHDO)	$ 590,218	
CHDO Operating Funds	$ 196,740	
Administration	$ 393,478	$ 180,000
	$ 3,934,786	**$ 1,800,000**

* Estimated Program Income through June 30, 2015.

The primary objective of the HOME Investment Partnership Program, or HOME Program, as established under Title II of the National Affordable Housing Act of 1990 (NAHA), as amended, and implemented at 24 CFR Part 92, is to expand the supply of decent, safe, sanitary, and affordable housing, primarily rental housing; to strengthen the abilities of state and local governments to provide housing; to ensure that federal housing services, financing, and other investments are provided to state and local governments in a coordinated, supportive fashion; to expand the capacity of nonprofit community-based housing development organizations; and to leverage private sector participation in financing affordable housing. Consistent with these primary objectives, the HOME funds distributed under the FY 2014 Action Plan shall be used to finance housing activities that benefit low-income persons in West Virginia.

The WVHDF will focus its HOME Program resources on four program areas: (1) HOMEownership Opportunities through the NewHOME Loan Program and HOME Leverage Loan Program (HLLP), (2) Community Housing Development Organizations (CHDOs), and (3) HOMErent. The HOME Single-Family Rehabilitation Program, a pilot program, will be funded through Program Income. In accordance with the rules and regulations, the WVHDF reserves the right to adjust funding levels and reallocate funds between the program areas to reflect market demands or needs arising from natural disasters.

GEOGRAPHIC AREA OF DISTRIBUTION

West Virginia is a predominately rural state of limited ethnic and racial diversity. While general population trends and patterns have been relatively stable over the past several decades, minority population groups remain concentrated in the more urban counties of Cabell and Kanawha and the rural counties of Monongalia, Mercer, McDowell and Raleigh. While the ethnic and racial characteristics of the rural areas of the State have remained consistent over the years, there is a significant disparity in the social and economic characteristics in the rural areas. While the median income estimate for a family of four in Monongalia and Kanawha County in 2013 was $64,400 and $57,900, the median income estimate for a family of four in McDowell County, Mingo County and Gilmer County in 2013 is only $30,200, $42,700 and $40,400. The gap between rural county family incomes and the more urban county family incomes has continued to widen and limit both housing ownership opportunities and affordable rental housing opportunities for low-income families in West Virginia.

The significant difference between the median income of households in southern West Virginia and central West Virginia is indicative of the problems that significantly limit the affordable housing opportunities for very low-income households in many rural regions. In order to address the continued need and demand for safe, decent, and affordable housing, the WVHDF will target the use of HOME funds to the rural counties that have or limited access to established financial assistance programs.

The geographic area for the distribution of HOME Program funds under the HOME Leverage Loan Program, NewHOME, HOMErent and CHDO subprograms will be limited to the forty-four (44) counties of the State that are not located in a HOME Consortium. HOME Program funds under these subprograms will not be made available in the counties of Berkeley, Brooke, Cabell, Hancock, Jefferson, Kanawha, Marshall, Morgan, Ohio, Wayne, and Wood, each of which is part of a HOME Consortium.

HOME PROGRAM MATCH OBLIGATION

The HOME Program match obligation incurred by the State during FY 2014 will be met through eligible State affordable housing activities, including, but not limited to, the following:

- Mortgage Revenue Bond Program
- LAMP Program
- Payment of HOME Originator fees from the general funds of the WVHDF
- Downpayment/Closing Cost Assistance Program
- Eligible Flood Program activities
- Development Financing Program (eligible multi-family project financing)
- West Virginia Affordable Housing Trust Fund

The State may use additional sources of match to meet any match obligation if it determines that additional sources are necessary and eligible. The State may also request match reductions during FY 2014 for any area in which a federal disaster declaration is made pursuant to the Stafford Act.

PROGRAM/ACTIVITIES

NewHOME Program

The WVHDF will reserve approximately $500,000 of the FY 2014 HOME funds for the NewHOME Program in addition to $1,320,000 in Program Income. The NewHOME Program has been designed to target HOME resources to low-income families that have difficulty obtaining affordable housing. The NewHOME Program has been designed to provide direct loans to low-income families whose income is at or below 80% of the area median income. NewHOME loans will be originated by either approved local nonprofit organizations or the WVHDF. The WVHDF will reserve up to $500,000 in Program Income for deferred payment loans to developmentally disabled persons. This reservation of Program Income for loans to developmentally disabled persons shall expire at the end of the FY 2014 Program Year.

Income Limits

The maximum household income of an applicant may not exceed 80% of the area median income for the county. The household income will be calculated in accordance with 24 CFR Part 5.

Loan Limits

The NewHOME Program Loan(s) may not exceed the lesser of the NewHOME Loan Limits (75% of the limitations established under the Section 221(d)(3) of National Housing Act for the county) or the HOME Purchase Price Limits.

Loan Terms

The NewHOME loan is a 0% interest, 30-year level payment principal-only first mortgage loan. The repayment of the NewHOME loan, including the escrow for taxes and insurance, will be limited to 20% of the Borrower's monthly income.

If the NewHOME loan is insufficient to cover the purchase of the single-family dwelling, the Borrower may qualify for a NewHOME Deferred Payment Loan. The NewHOME DPL loan is a 0% interest, 30 year, deferred payment loan. The NewHOME DPL may not exceed $30,000. The NewHOME DPL is subject to reduction by 1/360 per month over a 30 year period. The outstanding balance of the NewHOME DPL will become due and payable upon sale, transfer, or other conveyance prior to the maturity of the loan.

Property Standards

Single-family housing that is *constructed* through the NewHOME Program will meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of completion. In the absence of local codes, rehabilitation standards, and ordinances, new construction assisted through the NewHOME Program shall meet the 2009 International Building Code and 2003 Model Energy Code prescribed by the State of West Virginia.

HOME Leverage Loan Program (HLLP)

The WVHDF will reserve approximately $100,000 FY 2014 HOME funds for the HOME HLLP. The HLLP was designed to target HOME resources to low-income families that have difficulty taking advantage of the WVHDF Mortgage Revenue Bond Program and Rural Development Section 502 Direct Loan Program.

Income Limits

The maximum household income of an applicant may not exceed 80% of the area median income for the county. The household income shall be calculated in accordance with 24 CFR Part 5.

Loan Limits

The HLLP loan is limited to the lesser of $20,000 or 20% of the purchase price or appraised value, whichever is less, for both existing housing and new construction. The purchase price may not exceed the HOME Purchase Price Limits for the county.

Loan Terms

The HLLP is a 0% interest, deferred loan. No repayment is required and the loan may be forgiven if the homebuyer complies with owner-occupancy and other requirements during the 10-year affordability period following the closing of the loan. If the borrower sells or transfers the property during the affordability period, the outstanding balance of the HLLP loan must be paid in full.

Property Standards

Single-family housing that is *constructed* through the HLLP will meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of completion. In the absence of local codes, rehabilitation standards, and ordinances, new construction assisted through the HLLP shall meet the 2009 International Building Code and 2003 Model Energy Conservation Code prescribed by the State of West Virginia.

HOME Single Family Rehabilitation Loan Program (HRLP)

The WVHDF will reserve approximately $300,000 in HOME Program Income funds for the HOME Single Family Rehabilitation Loan Program (HRLP). The HRLP was designed to provide low-income, owner-occupants with a method of financing general repairs to their homes, eliminate health and safety hazards and/or make their homes accessible for household members with disabilities.

Income Limits

The maximum household income of an applicant may not exceed 60% of the area median income for the county. The household income shall be calculated in accordance with 24 CFR Part 5.

Loan Limits

The HRLP loan is limited to $25,000.

Loan Terms

The HRLP loan is a 0% interest, 20-year level payment principal-only mortgage loan. The repayment of the HLRP loan and all other long term financial obligations (including the escrow for taxes and insurance) will be limited to 40% of the Borrower's monthly income. The outstanding balance of the HRLP will become due and payable upon sale, transfer, or other conveyance prior to the maturity of the loan.

The HRLP loan may be used in conjunction with other forms of financial assistance to finance the repairs or rehabilitation of the home provided that the additional work is necessary to complete the approved general repairs, address health and safety issues or improve accessibility.

Property Standards

Single-family housing that is *rehabilitated* through the HRLP must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of completion. In the absence of local codes, rehabilitation standards, and ordinances, units assisted through the HRLP shall meet the 2012 International Property Maintenance Code and Uniform Physical Condition Standards (UPCS).

HOMErent PROGRAM

The WVHDF will reserve approximately $2,154,350 of the FY 2014 HOME funds for the HOMErent Program. The HOMErent Program has been designed to target HOME funds to private and nonprofit owners and developers of low-income rental housing units.

The HOMErent Program will offer first or subordinate mortgage, low-interest rate loans to eligible housing providers for the acquisition/rehabilitation, rehabilitation, new construction, conversion of non-residential units, and reconstruction of multifamily housing. The HOMErent Program loan may be the primary source of financing or may bridge the gap between the developer's primary financing and the total development costs.

Applicants may request up to 100% of the HOME Per Unit Subsidy Limits based on the number of bedrooms per unit provided that the subsidy layering review would warrant the commitment of the maximum per unit subsidy amount. Applicants may request refinancing of a first mortgage when borrowing HOMErent funds to rehabilitate units if refinancing is necessary to continue affordability and all other requirements as described in HUD Rule 92.206(b) are met. For-profit applicants selected for funding may be eligible for a below-market interest rate loan, while nonprofit applicants may be eligible for a zero percent interest rate loan. The rates and terms of the loans would be established during the underwriting and review of the final proposal. All HOMErent loans will be underwritten in such a manner as to recover the principal of the HOMErent loan. For applicants who are owned by both for-profit and not-for-profit entities, the interest rate will be determined based on the relative percentage of ownership of the general partner. The minimum term of the HOMErent loan will be 15 years for rehabilitation and 20 years for new construction.

The WVHDF will be responsible for the delivery of the HOMErent Program through the issuance of a Request for Proposals. Nonprofit housing organizations and private sector developers that are interested in the acquisition/rehabilitation, rehabilitation, new construction, conversion of non-residential units, and reconstruction of multifamily housing will be invited to submit a Preliminary Proposal for Financial Assistance directly to the WVHDF. The staff of the WVHDF will review and rank the Preliminary Proposals to determine that the proposals are consistent with objectives of the HOMErent Program. The purpose of the review is to screen applications for competitiveness in relation to the amount of funds available and the objectives of the HOME Program. If the Preliminary Proposal is approved, the WVHDF will issue a conditional commitment and reserve financing for the proposed project.

The criteria to be considered during the review will include, but not be limited to: (1) the number of low-income persons served, (2) the relationship to the HOME program goals and objectives, (3) the cost effectiveness of the project, (4) the availability and commitment of other sources of funding for the project, (5) the degree to which the project achieves state, regional, and local planning goals, (6) the readiness of the project to proceed, if funded, and (7) other HOME considerations, such as existing open grants, other requests from

the same area, the applicant's capacity to undertake and complete the project if approved, fair housing initiatives proposed, impact upon minority areas, and the geographical distribution of funds. The staff will prepare on Executive Summary of the proposal for review and approval by the Executive Director and/or Board of Directors. The WVHDF will establish minimum thresholds for these and other these evaluation factors.

Rental units financed through HOMErent will be subject to the Lead-Based Paint Policy, as set forth at 24 CFR Part 35, as well as HUD development and contracting requirements such as Davis-Bacon wage rates, environmental review regulations, and all conflict of interest regulations. The HUD cost and value limitations contained in 24 CFR Part 92 shall also apply.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)

CHDO Projects

The WVHDF will reserve $590,218 of the FY 2014 HOME funds for CHDOs. CHDOs may submit proposals that promote the development of single-family housing and rental housing for low-income persons and any other activities permitted under 24 CFR Part 92, except project specific loans.

The WVHDF will be responsible for the delivery of the HOME CHDO Program through the issuance of a Request for Proposal. CHDOs that are interested in developing single-family housing or rental housing for low-income persons will be invited to submit a Preliminary Proposal for Financial Assistance directly to the WVHDF. The staff of the WVHDF will review and rank the Preliminary Proposal to determine that the proposal is consistent with objectives of the HOME CHDO Program. If the Preliminary Proposal is approved, the WVHDF will issue a conditional commitment and reserve financing for the proposed project.

The project review will screen applications for competitiveness in relation to the amount of funds available and the objectives of the HOME Program. To the extent applicable, criteria to be considered during the review will include, but not be limited to: (1) the number of low-income persons served, (2) the relationship to the HOME program goals and objectives, (3) the cost effectiveness of the project, (4) the availability and commitment of other sources of funding for the project, (5) the degree to which the project achieves state, regional, and local planning goals, (6) the readiness of the project to proceed, if funded, and (7) other HOME considerations, such as existing open grants, other requests from the same area, the applicant's capacity to undertake and complete the project, if approved, fair housing initiatives proposed, impact upon minority areas, and the geographical distribution of funds.

Upon receipt of the approval of the Preliminary Proposal, the CHDO will be invited to submit a Final Application for Financial Assistance for review and consideration. The staff of the WVHDF will review and underwrite the Final Application, including the Environmental Review, to determine that the project meets the objectives of the HOME Program and that it is financially feasible. The staff will prepare an Executive Summary of the Proposal for review and approval by the Executive Director and/or Board of Directors.

The CHDO shall comply with the affordability requirements set forth in 24 CFR 92.252(e) or 24 CFR 29.254(a)(2), as applicable, and require repayment of the HOME funds if the housing does not meet the affordability requirements for the specified time period.

CHDO Operating Funds

The WVHDF will reserve up to $196,740 for CHDO Operating Funds. This $196,740 represents approximately 5% of the FY 2014 annual allocation or the maximum amount of 5% that the WVHDF may allocate for CHDO Operating Expense Funds. CHDOs may apply for up to $50,000 in operating funds. The CHDO Operating Funds will be awarded through an annual Request for Proposals issued by the WVHDF. Eligible activities are those directly related to promoting the organization's ability to develop, sponsor, and own HOME CHDO-eligible affordable housing, such as homebuyer, rental, and transitional housing. CHDOs that successfully compete for operating funds are required to apply and receive funding for a HOME CHDO-eligible housing activity within 24 months from the date of being awarded operating funds. In accordance with 24 CFR 92.208, eligible costs may include but be limited to: salaries, wages, and other employee compensation and benefits; employee education; training; travel; rent; utilities; communication costs; taxes; insurance; equipment, including filing cabinets; materials; supplies; annual financial audit; and costs associated with a strategic long-range plan. Eligible costs do not include furniture or other office décor. CHDOs may not receive more than one operating grant each year.

RECAPTURE PROVISIONS

The WVHDF has established guidelines for the recapture of HOME funds. The amount of HOME funds subject to recapture is based on the amount of HOME assistance that enabled the homebuyer to buy the dwelling unit. The recapture guidelines are set forth hereafter. The net proceeds are the sales price minus loan repayments (other than HOME funds) and closing costs.

If the net proceeds from the sale of the house are not sufficient to recapture the full amount of the HOME funds invested, plus recover the amount of the homebuyer's down payment and any capital improvements made by the owner since purchase, the WVHDF will share the net proceeds proportionally with the homebuyer.

If the net proceeds from the sale of the house are sufficient to recapture the full amount of the HOME funds invested, plus recover the amount of the homebuyer's down payment and any capital improvements made by the owner since purchase, the Borrower shall be allowed to retain the excess net proceeds.

PROPERTY STANDARDS

Single-family and multifamily housing that is *constructed* or *rehabilitated* through the HOME Program will meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of local codes, rehabilitation standards, and ordinances, new construction or rehabilitation assisted through the HOME Program shall meet the 2009 International Building Code and 2009 Model Energy Code prescribed by the State of West Virginia.

Single-family and multifamily housing that is *acquired* through the HOME Program will meet all applicable State and local housing quality standards and code requirements. In the absence of local standards or code requirements, existing housing acquired through the HOME Program must the Housing Quality Standards set forth at 24 CFR 982.401.

In addition to the compliance with applicable codes, single-family housing that is *constructed* through the NewHOME Program will comply with a prescribed set of Universal Design Standards that will improve the accessibility through the application of adaptable design principles that are based on the Fair Housing Act requirements.

The WVHDF or its authorized representatives will be responsible for the inspection of all single-family and multifamily units assisted through the HOME Program, as required under 24 CFR 92.251.

LEAD-BASED PAINT POLICY

The WVHDF recognizes the severity of lead-based paint (LBP) poisoning, and believes that the existing federally-required notification of buyers and renters and the readily available blood testing for elevated lead levels available at local health departments provides adequate warning and protection. The WVHDF has no enforcement or regulatory responsibility under these regulations. OSHA regulates contractors to insure a safe environment for workers dealing with LBP, and the EPA and West Virginia Department of Environmental Protection regulate the disposal of hazardous waste.

The WVHDF has outlined the following policies to guide participants in the programs it sponsors or administers.

1. Multifamily properties must comply with HUD's LBP regulations and the EPA Renovation, Repair and Paint (RRP) Regulations. All assessment, enforcement or abatement activities will follow the most recent HUD guidelines and regulations.

2. Single-family properties to be eligible for HOME funding will be subject to the following policies:

i) For pre-1978 Structures:

(a) The structure must pass a visual assessment by an HQS qualified inspector. If the structure fails, it will not be eligible for the Program.

(b) Provision of LBP pamphlet, to the borrower, and acknowledgement of the same in the borrower's affidavit.

(c) HOME loans cannot be used to fund acquisition and rehabilitation or repair of pre-1978 structures, but can be used to fund purchases of these structures if they pass the initial visual assessment.

ii) Post-1978 Structures:

Evidence the structure was built totally after 1978. Pre-1978 structures that have undergone major renovations after 1978 will not qualify as a post-1978 structure.

The legal requirements relating to LBP from OSHA, EPA, and HUD apply to all units and buildings in a HOME-assisted project, whether the building or transaction is assisted by the WVHDF or not.

Lending Limits Policy

Financial assistance under the HOME Program shall be subject to the WVHDF Multi-Family Lending Policies for Residential Rental Housing. The maximum aggregate amount of the non-federally guaranteed/insured portion of the outstanding principal balance of loans made (to any individual owner, any principal involved in any general partner of a limited partnership, and/or any principal involved in any managing member of a limited liability company) is limited to an amount which is 5% of the WVHDF's Unrestricted Net Assets as of June 30 of the most recently completed audited fiscal year. Furthermore, the uninsured portion of any single loan transaction will not exceed $1,500,000. However, in fulfilling the mission to provide affordable housing, the WVHDF may consider special circumstances approved by the Board of Directors on a case-by-case basis.

PRIORITY HOUSING NEEDS

The WVHDF will measure the performance of housing programs and activities based on the priorities identified in the State 2010-2014 Consolidated Plan, and the new 2015-2019 Consolidated Plan. These priorities, which are set forth in the following Priority Housing Needs chart, were developed through the analysis of housing needs and limited market analysis conducted during the development of the State 2010-2014 Consolidated Plan.

PRIORITY HOUSING NEEDS					
Population Group		Priority Need Level High, Medium, Low		*Unmet* Need	Goals
Renter	Small Related	0-30%	M	12,493	
		31-50%	M	7,446	10
		51-80%	L	2,821	8
	Large Related	0-30%	H	2,201	
		31-50%	M	1,294	10
		51-80%	M	826	5
	Elderly	0-30%	M	5,026	
		31-50%	M	4,382	5
		51-80%	L	1,748	
	All Other	0-30%	L	13,750	10
		31-50%	L	6,655	10
		51-80%	L	3,001	
Owner		0-30%	H	30,968	
		31-50%	M	22,822	16
		51-80%	L	24,813	180
Special Needs*		0-80%	M	65,438*	20*
Total Goals				140,296	0**
Total 215 Goals					880
Total 215 Renter Goals					80
Total 215 Owner Goals					800

*Five Year goals; assumes no decrease in annual HOME funds allocations.

**Non-homeless special populations.

Special populations included in other numbers, so goal not included in total

HOMEOWNERSHIP HOUSING PERFORMANCE		
Eligible Category	**Performance Measurement (HUD Indicators)**	**Outcomes**
Direct Homebuyer Assistance	1. Amount of money leveraged (from other federal, state, local and private sources) 2. Number of households assisted 3. Number of households at income levels 30-50-60-80% of median 4. Race, ethnicity, disability 5. Total units 6. Number of first-time homebuyers 7. Of those in #6, number with counseling 8. Number with down payment/closing cost assistance	Create decent housing with improved/new affordability
Homeowner Housing Development	1. Amount of money leveraged (from other federal, state, local and private sources) 2. Number of households assisted 3. Number of households at income levels 30-50-60-80% of median 4. Race, ethnicity, disability 5. Total units 6. Of total, number of units made 504 accessible 7. Of total, number of units meeting Energy Star Standards 8. Of total, number of households previously in subsidized housing 9. Of total, number of years of affordability 10. Of affordable, number occupied by elderly 11. Of affordable, number of units designated for persons with HIV/AIDS 12. Of the units designated for persons with HIV/AIDS, number of units for the chronically homeless 13. Of affordable, number of units designated for homeless 14. Of the units for homeless persons, number of units for the chronically homeless 15. Number of households that received housing counseling	Create decent housing with improved/new affordability

RENTAL HOUSING PERFORMANCE		
Eligible Category	**Performance Measurement (HUD Indicators)**	**Outcomes**
Rental Housing Rehabilitation	1. Amount of money leveraged (from other federal, state, local and private sources) 2. Number of households assisted 3. Number of households at income levels 30-50-60-80% of median 4. Race, ethnicity, disability 5. Total units 6. Of total, number made 504 accessible 7. Of total, number created through conversion 8. Of total, number of units moved from substandard to standard (code) 9. Of total, number of units meeting Energy Star Standards 10. Of total, number of units brought into lead-safe housing compliance 11. Of total, number of affordable units 12. Of affordable, number of units subsidized by project-based assistance 13. Of affordable, number of years affordability guaranteed 14. Of affordable, number of housing units for persons with HIV/AIDS 15. Of the units for persons with HIV/AIDS, number of units for the chronically homeless 16. Of affordable, number of units of permanent housing for homeless persons and families 17. Of the units for homeless, number of units for the chronically homeless	Create decent housing with improved/new affordability
Rental Housing Development	1. Amount of money leveraged (from other federal, state, local and private sources) 2. Number of households assisted 3. Number of households at income levels 30-50-60-80% of median 4. Race, ethnicity, disability 5. Total units 6. Of total, number of units made 504 accessible 7. Of total, number made through conversion 8. Of total, number of units meeting Energy Star Standards 9. Of total, number of affordable units 10. Of affordable, number of units occupied by elderly 11. Of total, number of units subsidized by project-based assistance 12. Of affordable, number of years of affordability 13. Of affordable, number of housing units for persons with HIV/AIDS 14. Of the units for persons with HIV/AIDS, number of units for the chronically homeless 15. Of affordable, number of units of permanent housing for homeless persons and families 16. Of the units for homeless persons, number of units for the chronically homeless	Create decent housing with improved/new affordability

SECTION FOUR

OFFICE OF ECONOMIC OPPORTUNITY ACTION PLAN

EMERGENCY SOLUTIONS GRANT (ESG)

Seventeen units of local governments with 35 project sponsors (emergency shelters, drop-in centers, domestic violence shelters, and transitional housing facilities) were funded to provide emergency assistance, housing assistance, supportive services and transitional housing to those experiencing homelessness or those at-risk of homelessness. In program year 2012 48,241 persons were served with housing assistance. ESG funds were used to provide 1566 people with mental illness residential and non-residential services. In addition 3902 victims of domestic violence, 2026 people who suffer from chronic substance abuse, 382 veterans, and 276 elderly. (Note: many of these are co-occurring, and a total of the aforementioned sub-populations will not equal the total numbers of persons served.)

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

Three project sponsors were funded to provide housing and supportive services to those low-income West Virginians with HIV/AIDS. The State of West Virginia's HOPWA program has been in existence for nineteen years and is one of the few original Special Projects of National Significance still in operation. The project sponsors leveraged over $ 625,000 in other sources for the State of WV's HOPWA program.

In Program year 2012, 63 households were assisted with Tenant Based Rental Assistance, 152 households were assisted with Short-Term Rent, Mortgage, and Utility assistance, 57 households were assisted with Permanent Housing Placement, and 300 households were assisted with supportive services.

- 75%of households served with TBRA were stably housed at program year end
- 94% of households served with STRMU were stably housed at program year end
- 100% of households had a housing plan for maintain or establishing stable on-going housing at program year end
- 100% of households had contact with a case manager or benefits counselor from another service provider for ongoing supportive services and/or health care at program year end
- 91.5% of program participants had contact with a primary health care provider at program year end
- 93% of program participants either accessed or maintained their medical insurance/assistance at program year end
- 86% of program participants accessed or maintained qualification for sources of income at program year end.

Program	Funding
Emergency Solutions Grants Program	$1,455,208
Housing Opportunities for Persons with AIDS	$ 342,910
Community Development Block Grant	
HOME	

AP-65 Homeless and Other Special Needs Activities – 91.320(h) Pages 52-61

ESG funds may be used for the following activities allowed under the McKinney-Vento Homeless Assistance Act, as amended by the HEARTH Act:

<u>Street Outreach</u>

Assistance provided must serve unsheltered homeless persons who are neither willing nor able to access housing, emergency shelter, or an appropriate health facility. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of:

- 60 percent of that fiscal year's total ESG grant award; **or**
- The amount of FY2010 grant funds committed to street outreach and emergency shelter activities.

Eligible costs include:

1. Engagement – Activities to locate, identify, and build relationships with unsheltered homeless persons in an effort to provide intervention, immediate support, and connections with mainstream social services, homeless assistance programs, and/or housing programs.

2. Case Management – Services include the cost of assessing service and housing needs. Case managers will arrange, coordinate, and monitor the delivery of individualized services in order to meet the needs of the program participants.

3. Emergency Health Services – Eligible costs include the direct outpatient treatment of medical conditions. Services are provided by licensed medical professionals operating in community-based settings and other places where unsheltered homeless persons reside. ESG funds may be used only if other appropriate health services are unavailable or inaccessible in the area.

4. Emergency Mental Health Services – Eligible costs include the direct outpatient treatment of mental health conditions by licensed medical professionals operating in community-based settings and other places where unsheltered homeless persons reside.

5. Transportation – Eligible costs include travel by social workers, medical professionals, outreach workers, or other service providers when the travel takes place during the provision of eligible street outreach services.

6. Services to Special Populations – Eligible costs include eligible essential services that have been tailored to address the special needs of people living with HIV/AIDS, homeless youth, and/or victims of domestic violence and related crimes/threats.

Emergency Shelter

The types of assistance include providing essential services to homeless individuals or families in emergency shelters, operating costs for emergency shelters, costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families, and assistance required under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). Staff costs related to carrying out emergency shelter activities is eligible. The total amount that may be used for street outreach and emergency shelter expenditures combined cannot exceed the greater of:

- 60 percent of that fiscal year's total ESG grant award; **or**
- The amount of Program year 2010 grant funds committed to street outreach and emergency shelter activities.

Eligible costs include:

1. Essential Services – case management, child care, life skills services, employment assistance and job training, education services, legal services, transportation, substance abuse treatment services, outpatient health services, mental health services, and services for special populations.

2. Shelter Operations – Rent, facility maintenance, utilities, food, insurance, furnishings, security, equipment, fuel, and supplies necessary for the operation of the emergency shelter. Hotel or motel vouchers are eligible only when no appropriate emergency shelter is available.

3. Renovation – Costs associated with renovating buildings to be used as emergency shelter for homeless individuals and families, including labor, materials, tools, and other costs including soft costs. The emergency shelter must be owned by a private nonprofit organization or a governmental entity. Types of renovation include:

   - Conversion - A change in the use of a building to an emergency shelter for the homeless, where the cost of conversion and any rehabilitation costs exceed 75 percent of the value of the building after rehabilitation. (If ESG funds are used for conversion, the facility must be used as a shelter for the homeless for at least a ten-year period.)
   - Major Rehabilitation – Rehabilitation that costs in excess of 75 percent of the value of the building before rehabilitation. (Where ESG funds are used for this purpose, the building must be used as a homeless shelter for at least a ten-year period.)
   - Other Renovation – Rehabilitation that involves costs of 75 percent or less of the value of the building before rehabilitation. (Where ESG funds

are used for this purpose, the building must be used as a shelter for at least a three-year period.)

Value of the building means the monetary value assigned to a building by an independent real estate appraiser, or as otherwise reasonably established by the grantee or the State recipient. Currently, the Office of Economic Opportunity does not fund rehabilitation, conversion, or renovation projects.

4. Assistance Required under URA – Costs of providing URA assistance, including relocation payments and other assistance to persons displaced by a project assisted with ESG funds.

Homelessness Prevention

Assistance may be provided to individuals and families who meet HUD's definition of at risk or at imminent risk of homelessness. Individuals and families must have an income below 30% of Area Median Income. Staff salaries related to service provision is eligible. Eligible costs include:

1. Rental Assistance – Assistance may be short or medium-term. Short term assistance may be provided for up to 3 months. Medium-term assistance may be provided for 4 to 24 months. No more than 24 months of assistance may be given within a 3-year period, including a one-time payment for up to 6 months of the tenant's portion of rental arrears.

2. Housing Relocation and Stabilization Services – Consists of two types of assistance: financial assistance and services.

   A. Financial Assistance – ESG funds may be used to pay utility companies, housing owners, and other third parties for the following types of costs: rental application fees, security deposits, last month's rent, utility deposits, utility payments, and moving costs.
   B. Services – ESG funds may be used to pay the costs of providing the following services:
      - Housing Search and Placement – Activities or services necessary to assist program participants in locating, obtaining, and retaining suitable permanent housing.
      - Housing Stability Case Management – Services necessary to assess, arrange, coordinate, and monitor the delivery of individualized services to facilitate housing stability.
      - Mediation – Mediation between the program participant and the owner or person(s) with whom the program participant currently resides to prevent the program participant from losing permanent housing in which they currently reside.
      - Legal Services – Services necessary to resolve a legal problem that prohibits the program participant from obtaining or maintaining permanent housing.
      - Credit Repair – Services necessary to assist program participants with critical skills related to household

budgeting, money management, accessing a free personal credit report, and resolving personal credit problems.

Rapid Re-housing

Assistance may be provided to individuals and families who meet HUD's definition of literally homeless. Staff salaries related to service provision is eligible. Eligible costs are the same as those for Homelessness Prevention. The applicant does not have to meet the 30% AMI threshold at entry into the Rapid Re-housing program.

Homeless Management Information System (HMIS)

HMIS is the data reporting system used by many HUD programs. HMIS is a statutory requirement of the HEARTH Act. Victim service providers cannot participate in HMIS. Legal services organizations may choose not to participate in HMIS. Providers that do not participate in HMIS must use a comparable database that produces unduplicated reports. Eligible costs include purchasing or leasing equipment or computer hardware, purchasing software licenses, obtaining technical support, leasing office space, overhead charges such as electricity, phone, water, gas, and high-speed data transmission necessary to operate the HMIS, salaries necessary to operate HMIS, travel to attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act, travel costs to conduct intake, and paying participation fees charged by the HMIS Lead Agency designated by the Continuum of Care to operate the area's HMIS.

Administration

Administration includes the activities necessary to administer the grant in compliance with program objectives and regulations. Eligible administrative costs include staff to operate the program, preparation of progress reports, audits, and monitoring of recipients. This does not include staff and overhead costs directly related to carrying out other ESG eligible activities. No more than 7.5 percent of the State's grant may be spent for administrative costs.

AP-15 Expected Resources – 91.320(c)(1,2)

The ESG Program requires a dollar-for-dollar match in non-ESG funds from the State for their allocated amount. To meet this requirement, the State requires that applicants for State ESG funding provide a dollar-for-dollar match for their program costs. The matching requirement can be met with either cash or non-cash contributions of in-kind or donated resources such as the value of buildings, equipment, or volunteer services.

Housing Opportunities for Persons with AIDS

The HOPWA program allocates funds to local governments and states with significant populations of persons with AIDS. Under the statute, HOPWA awards eligibility to the largest cities in metropolitan statistical areas (MSAs) and to states with over 1,500 cumulative cases of AIDS. States are eligible if they have 1,500 cumulative cases in the areas outside of the eligible MSAs. The funding assists grantees in providing housing assistance and related supportive services to low-income persons with AIDS and their families.

The State of West Virginia, through the OEO, serves as the grantee for the HOPWA program. As the grantee, the OEO is the supervising agent of three project sponsors: Covenant House, Inc., in Charleston; Caritas House, Inc., in Morgantown; and Community Networks, Inc., in Martinsburg.

Housing Opportunities for Persons with AIDS funds will be used primarily for direct housing activites that will benefit individuals and households with HIV/AIDS. Additional supportive service activities will be provided through this funding, as well. Supportive service activities are used to assist the program participant in developing skills and accessing resources that are needed to maintain housing stability and avoid homelessness.

The project sponsor sites provide permanent supportive housing, support services, short and medium-term rental assistance, and resource identification to people living with HIV/AIDS in all of West Virginia's 55 counties. This implementation includes the continued operation and maintenance of five houses for people with HIV/AIDS located throughout the State and the continuation of services to a growing caseload of over 275 persons with HIV/AIDS and another 177 affected family members. This program is designed to provide services to persons with HIV/AIDS and assist them to remain stably housed in safe, clean, and affordable housing, where medical assistance can be available to support them.

OEO will continue to work with the three HOPWA project sponsors, Caritas House, Covenant House, and Community Networks, as they are the State's most experienced HIV housing and service providers. OEO has administered the statewide HOPWA program for more than nineteen years. During the last program year, the State of WV's HOPWA program prevented 275 HIV-positive individuals and affected family members from becoming homeless through its statewide rental assistance programs.

Budget Line Item	Actions to be taken	Expected outputs
Operating Costs	Continued operation of three HOPWA-funded community residences for persons with HIV/AIDS and their families	4 households
Supportive Services	Provision of services such as case management, transportation, meals, education, alcohol and drug use intervention services, etc.	300 households
Housing Information	Information and/or support to locate and apply for housing assistance	300 households
Permanent Housing Placement	Assistance with first and last month rent, housing and utility deposits, credit and background checks to access housing, etc.	50 households
Rental Assistance	Tenant based rental assistance	60 households
Short Term Rent, Mortgage & Utility Assistance	Rental assistance not to exceed 21 weeks in a 52 week period, mortgage payment assistance, and utility assistance	150 households
Administration	3% for the grantee and 7% per project sponsor based on budget for each sponsor	

Emergency Solutions Grants Program

The ESG program is competitive and geographic distribution is based on applications received and the results of the selection process.

Housing Opportunities for Persons with AIDS

The HOPWA program provides funding to three project sponsors offering a statewide network of services.

Homeless and Underserved Populations

The State of West Virginia will continue to support non-profits providers, local housing authorities, homeless providers, and special needs groups in their goal to meet the ever-changing needs of persons in their communities. The State will continue to communicate with these groups through our outreach and partnership with all four Continuums of Care in the State as well as other mainstream providers. The State will continue to provide Technical Assistance to providers to strengthen their programs and assist in procuring other Federal, State, and local funding.

Among the three program covered by the Consolidated Plan, ESG will continue to be the primary program for addressing the needs of the homeless, particularly since the redevelopment of the ESG program in the Emergency Solutions Program to incorporate the purposes of the Homeless Prevention and Rapid Re-Housing (HPRP). As an American Recovery and Reinvestment Act program, HPRP was designed to provide homelessness prevention assistance to individuals or households who would otherwise become homeless and to rapidly re-house individuals and families experiencing homelessness.

The new ESG program incorporates many HPRP activities and allows for the expansion of the program. The previous ESG program allowed for shelter operation and related services but the new program provides services for unsheltered homeless, preventing homelessness, and facilitation the transition into permanent housing for those experiencing homelessness. The Emergency Solutions grants program will allow funded project sponsors to:

- Provide outreach to homeless persons to access individual needs.
- Address the emergency shelter and transitional housing needs of homeless persons,
- Assist those experiencing homelessness make the transitional to permanent housing and independent living by:
    - Shortening the episodes of homelessness
    - Facilitating access to affordable housing,
    - Preventing future recurrences of homelessness
- Help low-income individuals and households avoid homelessness and prevent homelessness for those who are extremely low-income and either being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, and correctional institutions) or

receiving assistance from public or private agencies that address housing, social services, employment, education, or youth needs.

The biggest obstacle to meeting the needs of the underserved populations continues to be the availability of funds. While the Federal funds have developed to address the problems of those at-risk of homelessness through the expansion of the ESG program, there are very limited State funds available to be used as match or increase the capacity of providers. Many interested and capable providers cannot meet the one to one match required by the ESG regulations. Because of this a large portion of the State has no access to prevention and re-housing funds in program year 2013. By providing extensive technical assistance in the form of face-to-face meetings, webinars, and conference calls a goal in FY 2014 is a statewide network of ESG homelessness prevention and rapid re-housing providers. Additionally, the decrease to HOME funding challenges the capacity of providers to address these concerns.

1) One-Year Goals & Action Steps

i. Outreach

Those funded for outreach will participate in activities to locate, identify, and build relationships with the unsheltered homeless and engage them for the purpose of providing immediate support, intervention, and connections with homeless assistance program and mainstream social services and housing programs. These activities consist of making an initial assessment of needs and eligibility; providing crisis counseling; addressing urgent needs such as meals, blankets, clothing, and toiletries; and actively connecting and providing information and referrals to programs targeted to homeless people and mainstream social services and housing program, including emergency shelter, transitional housing, community-based services, permanent supportive housing, and rapid re-housing programs; urgent physical health care or mental health care needs.

AP-10 Consultation – 91.110, 91.300(b); 91.315

ii. Emergency Shelter & Transitional Housing Need

Emergency shelter remains a priority need, as do the essential supportive services for those experiencing homelessness or those transitioning out of homelessness into permanent housing. Preventing homelessness for those at-risk and quickly re-housing those who have become homeless are also priority needs. Being addressed by ESG, the Continua of Care, and the Statewide Strategic Planning Committee, to name a few. Each of these needs have been exacerbated by the continued slow economic growth, high unemployment, lost wages or lower income levels, and continued foreclosures. Homelessness prevention and rapid re-housing were the key of the Homeless Prevention and Rapid Re-Housing (HPRP) federal stimulus program and the new Emergency Solutions Grant program incorporates these critical programs allowing a better response to the needs of communities.

OEO will coordinate available resources to address the need for emergency shelter, transitional housing, homelessness prevention, and related service needs. The ESG program plays a pivotal role in addressing these needs. being addressed by ESG, the Continua of Care. The ESG program plays a pivotal role in addressing these needs. Transitional Housing, a model that has been proven ineffective with certain populations and the one of the most costly housing interventions, must be evaluated statewide. ESG and the local Continua of Care are working together to assess Transitional Housing programs, retooling them where possible and necessary by evaluating programmatic lengths of stay or transitioning to new housing models.

Many of the State's emergency and domestic violence shelters use ESG funds in combination with state funding from the State of WV Department of Health & Human Resources to meet the immediate needs of their most vulnerable citizens. The WV DHHR shelter funding is appropriated state revenue and provides funds to assist ten sites across West Virginia. These funds are used to improve the quality of services to the homeless, make available additional needed services, and help meet the costs of providing essential social services so that homeless individuals have access not only to safe and sanitary shelter, but also to supportive services and other types of assistance to improve their situations. Funding for projects that serve homeless individuals and families consistently falls far short of the identified need for such activities.

The most active groups in planning and meeting the needs of the homeless in West Virginia will continue to be the four Continuums of Care across the State. The purpose of a continuum of care is to function as the planning organization to identify and meet the needs of the homeless in their communities by developing a seamless system of care to move people from homelessness into permanent housing. The continuums participate in many activities including:

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Consulting with OEO regarding ESG funding priorities, performance standards for ESG projects and outcomes

- Coordinating services and providers in their regions
- Estimating the extent and needs of the homeless, developing new services and strategies according to need and securing funding to sustain activities
- Developing and expanding programs
- Advocacy and general education
- Serving as the lead agency for the HMIS

Consultation with the four Continuums of Care (CoCs) in the State is ongoing as amendments are made to the ESG programs and as the Coordinated Intake and

Assessment system is under development. The CoCs and the WV Office of Economic Opportunity will fund ESG projects based on the following factors:

a. Membership or Association with the local CoC – Agencies interested in applying for ESG funding must be active, participating members of the local CoC as coordination among those providing services or housing.
b. Service Provision – Services provided by the interested agency must be in alignment with current HEARTH goals and established goals of the appropriate CoC and ESG funder.
c. Capacity – Interested agencies will undergo an ESG Certification process whereby the agency will be monitored regarding their overall capacity to address the needs of homeless people in emergency or transitional shelters as well as their ability to reintegrate homeless individuals and families out of housing crises or homelessness and into the community via permanent housing.
d. Collaboration and Coordination – Interested agencies must demonstrate active coordination with local homeless service providers, Faith Based Organizations, victim service providers, mental health agencies, public housing agencies, law enforcement, advocates, programs that serve veterans, mainstream service providers, and local government agencies. Diversity of Collaboration and Coordination at the community level will serve to streamline the use of ESG with other existing resources, and ensure positive client outcomes.

Membership in the four Continuums of Care include homeless service providers, individuals, housing providers, local governments, local and county social service agencies, county or statewide education agencies, faith-based institutions, and business leaders.

iii. Transition to Permanent Housing & Independent Living

ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place not meant for human habitation such as an abandoned building or automobile. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the updated U.S. Department of Housing and Urban Development's (HUD) definition of "Homeless" or ''at risk of homelessness'' and have an annual income below 30 percent of median family income for the area, as determined by the HUD. The costs of homelessness prevention are only eligible to the extent that the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing. Homelessness prevention must be provided in accordance with the updated HEARTH program requirements set forth by the HUD. These regulations can be found at: www.hudhre.info/index.cfm?do=viewEsgProgram.

iv. Prevention among Individuals & Families:

A. Being Discharged from Publicly-funded Institutions

The State's goal is to increase awareness of permanent housing, emergency shelter, transitional housing, homelessness prevention and rapid re-housing availability. In order to accomplish this goal, the ESG subgrantees and/or project sponsors will inform those publicly funded institutions of the available housing options in their communities. This information would be made available to those persons begin discharged from such institutions such as hospitals, mental health facilities, foster care, and regional jails. The ESG subgrantees and/or project sponsors will also work closely with mainstream agencies serving individuals and families at-risk for homelessness in an effort to inform them of all available permanent housing, emergency shelter, transitional housing, homelessness prevention and rapid re-housing availability.

B. Receiving Assistance from Public & Private Agencies

In order to assist those already receiving assistance from other public and private agencies the ESG subgrantees and/or project sponsor will become more knowledgeable about the types of public and private assistance used to address housing , health, social services, employment, education, and youth needs. To accomplish this goal case managers will work closely with the mainstream providers of this assistance in their communities. Case managers will provide this information with their program participants and assist them in obtaining other eligible assistance from mainstream providers.

2) Activities Addressing Housing & Supportive Service Needs of Persons with Special Needs

Programs designed to serve persons with special needs (i.e., the frail elderly and persons with disabilities, mental illness and drug/alcohol addiction, persons living with HIV/AIDS and their families) are incorporated into the State's major housing initiatives with funding from HOME, ESG, and HOPWA. Funding is based on local determination of need for the funds and application for project funding through established mechanisms. The State will continue its educational and outreach efforts to services providers by including special needs populations and the providers who serve them.

The highest priority housing need in West Virginia is the availability of decent, safe, affordable housing, particularly housing close to transportation and/or offers easy access to community services and employment centers, rental housing, and transitional and permanent supportive housing for those formerly homeless or with special needs, such as the elderly, disabled, and those with HIV/AIDS. Preservation and sustainability of existing housing stock is also important. Repair, rehabilitation and energy efficiency improvements are integral to address this need. Improvements to existing housing can also address the need for accessibility upgrades for the elderly and disabled. Making housing affordable is critical given the typically very low incomes of the elderly, disabled and previously homeless as well as other special needs sub-populations.

b) Barriers to Affordable Housing

c) Other Actions – none from ESG or HOPWA

d) Program Specific Requirements for ESG

AP-25 Allocation Priorities – 91.320(d) & Ap-90 Program Specific Requirements – 91.320(k)(1,2,3)

1) Written Standards

Because the needs of program participants, and access and availability to assistance vary across the State, the State will require its sub-recipients to establish and implement their own written program standards. Program standards must be applied consistently to every program participant. At a minimum, program standards must include the following:

- Policies and procedures for evaluating individuals' and families' eligibility for ESG assistance.
- Policies and procedures for coordination among homelessness prevention and rapid re-housing assistance providers, emergency shelter providers, essential service providers, other homeless assistance providers, and mainstream service and housing providers.
- Policies and procedures for determining and prioritizing which eligible individuals and families will receive homelessness prevention assistance and which eligible individuals and families will receive rapid re-housing assistance.
- Standards for determining the length of time a particular program participant will be provided with rental assistance and if and how the amount of that assistance will be adjusted over time.
- Standards for determining the share of rent and utilities costs that each program participant must pay, if any, while receiving homelessness prevention or rapid re-housing assistance.
- Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant. Include the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).
- Standards for targeting and providing essential services related to street outreach activities. Include the limits, if any, on the street outreach assistance that each program participant may receive (maximum amount of assistance, maximum number of months, or maximum number of times the program participants may receive assistance).
- Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter.
- Policies and procedures for avoiding conflicts of interest.

- Policies and procedures for terminating assistance to program participants.

2) Description of CoC coordinated/centralized intake system

Subsequent to the HEARTH Performance Clinic and the initial Coordinated Intake and Assessment Work Groups, WVCEH continued the SAMSHA-funded Coordinated Intake and Assessment Technical Assistance for the state, and finished that engagement in December of 2013. The Work Group re-adjusted the flow of Coordinated Intake and Assessment and focused on choosing and implementing an evidenced-based assessment tool, which was ultimately OrgCode Consulting's Service Prioritization Decision Assistance Tool (SPDAT), and the 100,000 Homes/OrgCode Consulting Prescreen Tool, the Vulnerability Index-Service Prioritization Tool (VI-SPDAT). Three of the Four Continuums of Care in West Virginia (Huntington/Cabell/Wayne, Kanawha Valley Collective, and Balance of State) are utilizing the VI-SPDAT Prescreen with some communities beginning to utilize the full SPDAT.

The value of the SPDAT is the ability to assess individuals and families by acuity, thus prioritizing those with the highest barriers and highest likelihood of death on the streets for housing placement first. Several communities opted to take part in the 100,000 Homes Registry Week process (Monongalia County, Harrison County, Mingo County, and Huntington/Cabell/Wayne), which utilized the VI-SPDAT as the preferred Point in Time Counting Tool, to assess homeless individuals and families by acuity and barrier, and begin the process of a prioritization list for housing. Eschewing the historical "first come, first served" model of housing placement, and transitioning toward an acuity-based prioritization has already proven successful in several communities, as they have recently wrapped up 100,000 Homes Registry Weeks and begun housing persons on their prioritization list through Permanent Supportive Housing and Rapid Re-Housing.

WV was also fundamental in encouraging Bowman Systems, the vendor behind the WV Statewide ServicePoint Homeless Management Information System (HMIS) to incorporate the Full SPDAT (Individual and Family) and VI-SPDAT Prescreen (Individual and Family) into the ServicePoint Software. Currently the Individual VI-SPDAT is operational in the system and being used. Next steps will include the rolling out of Coordinated Access policies and procedures in the Balance of State CoC, by March of 2014, which will be shared with the other CoCs for their individual use as needed. The Balance of State will next focus on incorporating additional Coordinated Access training and systems planning, particularly for very rural areas.

AP-30 Methods of Distribution – 91.320(d) & (k)

Process for Making Sub awards

The application submission date for ESG funds will be announced in March or April, 2014 through a widely distributed email and web-based notification process. Applicants are limited to local units of government and private nonprofit organizations. Funds will be awarded competitively based on the factors reviewed below. The State may exercise discretion to fund requests fully or partially, if so warranted, to maximize impact on the State's homeless and other ESG-eligible applicants. Applications should provide the applicants' strategies to provide emergency shelter, street outreach, homelessness prevention and rapid re-housing assistance. If necessary, the State may request additional information to assist with reviews. State sub-recipients will be required to ensure that program information is available in the appropriate languages for the geographic area(s) to be served with ESG funds.

Funding decisions are coordinated with the Continuums of Care within the State. The process attempts to eliminate duplication and maximize scarce resources. OEO will continue to ensure funded shelters remain in service as required by the federal rule, and that they meet habitability standards. Applicants must match their requested grant amount with an equal amount of other resources which are tracked and documented as outlined in the regulations.

ESG Application Evaluation Criteria

All applications received by the deadline (day, date, time) that meet minimum threshold requirements will be reviewed and ranked by a proposal review panel.

Minimum threshold criteria:

- Completed application
- Eligible applicant
- Eligible activities
- Applicant received on or before deadline

All applications meeting the minimum threshold requirements will be reviewed, scored, and ranked using a panel review process based on the following criteria:

- Need (maximum 40 points)
    - * Does the application fill what would otherwise be a gap in homeless services in the geographic services area and use a holistic approach?
    - * Does the application support local coordinated efforts and document:
        - Coordination with other providers
        - Community planning
        -
    - * Does the application (proposed budget) demonstrate a need for the requested funding?
    - * Is there a demand for the program in the geographical area?
    - * How critical is the need?
    - * How credible is the evidence to support the local need?
    - * Does the application include any special features that would enhance the applicant's ability to meet the target population's needs?

- Approach (maximum 30 points)

  * How experienced is the applicant in working with the target population?

  * How well is the application coordinated with other activities and funding sources in the area?

  * Does the proposed program appear to be based on proven methods and/or is the program able to demonstrate good outcomes?

  * Do the program costs appear reasonable?

  * Do the program outcomes and objectives appear reasonable?

  * Does the proposal support Federal and State goals outlined in the federal ESG guidelines and the State of WV's Substantial amendment?

    - Individuals and families experiencing homelessness access permanent housing in a timely manner.

    - Reduction in the length of shelter stay

    - Prevention of homelessness

- Capacity (maximum 30 points)

  * How experienced is the applicant with providing similar services and assistance?

  * Does there appear to be a plan for appropriate program oversight?

  * Does the applicant demonstrate effective grant management experience?

  * Does the applicant demonstrate adequate capacity for data collection and reporting?

  * How many, and what kind of findings, concerns, or other compliance issue has the agency had during the 2012-2013 program year?

  * To what degree does the program leverage other resources?

Successful applications must score a minimum of 60 points in order to be eligible to receive funding through this program. Funding offers will be issued based on scores until all funds are committed. OEO reserves the rights to make adjustments to ESG requested amounts.

3) Homeless Participation Requirement – Not applicable to State grantees

4) Performance Standards

OEO will periodically review program progress of all ESG-funded activities to document:

- Outcomes of ESG-funded projects
- Number of persons served by ESG-funded projects
- Number of program participants obtaining mainstream benefits such as Temporary Assistance to Needy Families, Supplemental Nutrition Assistance Programs, VA Health and Pension Benefits, Supplemental Security Income/Social Security Disability Insurance, and Medicaid.

As the coordination with the individual Continuums of Care expands ESG performance standards will continue to develop.

6) Consultation with CoC

The consultation with the four CoCs in the State is ongoing as the ESG programs as well as the coordinated assessment projects are still developing. At a bare minimum, the CoCs and OEO will fund ESG projects based on the following factors:

- Determining how to allocate ESG funds for eligible activities

  a. Membership in CoC – Agencies interested in applying for ESG funding must be active, participating members of the local continuum of care.

  b. Service Provision – Services provided by the interested agencies must meet an established goal of the local CoC.

  c. Capacity – Interested agencies must have demonstrated their capacity to carryout ESG or similar program activities.

  d. Collaboration - Interested agencies must collaborate with local agencies that serve similar target populations.

  e. Coordination - Interested agencies must coordinate with other agencies that provide mainstream resources to similar target populations.

- Developing the Performance Standards for activities funded under ESG

  a. Agencies funded with ESG funds must utilize intake forms that clearly document eligibility for ESG assistance, and homeless status at program entry.

  b. Funded agencies must report program participant data in HMIS, unless the agency is a victim service provider or legal service provider. In such cases, the funded agencies must report client data in a comparable database.

7) Developing funding, policies, and procedures for the operation and administration of the HMIS

Service Point will be the HMIS provider for all four CoCs in West Virginia. A steering committee, which consists of members of each continuum across the State of West Virginia, has been developed.