

**AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
CITY OF PORTSMOUTH
PROJECT PROGRESS REPORTS**

Stimulus Source or Coordinating Agency	Housing and Urban Development		
Coordinating City Department	Planning		
Project Number (assigned by Finance Dept.)	40510		
Project Name	Community Development Block Grant Recovery Funds (CDBG-R Funds)		
Project Description	Cottage Industry Micro-Enterprise Loan Program – \$30,000 Cradock Project - \$243,578 Hope VI Infrastructure - \$200,000		
Award Letter Executed	8/5/09		
Amount of Award	\$473,578		
Disbursed	Amount	Percent of Award	Frequency
	\$473,578.00	100%	Continuous
Number of Jobs Created	0		
Number of Jobs Retained	17		
Project Status	Complete		





U.S. Department of Housing and Urban Development

Virginia State Office
Community Planning and Development Division
600 East Broad Street
Richmond, VA 23219
Phone: 1/800 842-2610
FAX: 804/822-4981

JUL 23 2009

07-27-09P01:23 FILE

Mr. Kenneth L. Chandler
City Manager
City of Portsmouth
P.O. Box 820
Portsmouth, VA 23705

Dear Mr. Chandler:

The American Recovery and Reinvestment Act of 2009 (Recovery Act), signed into law on February 17, 2009, appropriated \$1 billion in CDBG funds to states and local governments to carry out, on an expedited basis, eligible activities under the CDBG program. The Recovery Act is an unprecedented effort to jumpstart the American economy, save and create millions of jobs, and address long-neglected challenges so our country can thrive in the 21st century. The CDBG program is a key component in states and local efforts to stabilize neighborhoods and create jobs.

The Department is pleased to announce that the Substantial Amendment to your jurisdiction's Fiscal Year 2008 Action Plan has been approved. The **City of Portsmouth** has been authorized to receive **\$473,578** in Community Development Block Grant Recovery (CDBG-R) Program funding. Please note that all CDBG-R funds must be spent not later than September 30, 2012. Please be advised that HUD establishes a cut-off date for submission of draw requests several days before the end of a fiscal year because of systems and disbursing related issues. You will be notified of the expenditure cut-off date for the CDBG-R grant funds in 2012.

Enclosed are three (3) copies of the Grant Agreement including the Funding Approval Form (HUD-7082) and Special Conditions between the U. S. Department of Housing and Urban Development (HUD) and the **City of Portsmouth** for the CDBG-R Program.

In order to establish a Line of Credit for your CDBG-R grant, it will be necessary to execute and return two copies of the Grant Agreement, retaining one copy for your files. Failure to execute and return the grant agreements within **30 days** of the transmittal date may be deemed to constitute rejection of the grant and cause for HUD to determine that the funds are available for reallocation to other grantees.

If there is a need to delete or add individuals authorized to access the Integrated Disbursement and Information System (IDIS), an IDIS Security Access Authorization Form must be prepared, notarized, and returned to this office with the Grant Agreement (forms are enclosed). Program progress must be recorded in IDIS on a regular basis. HUD will use this system to obtain beneficiary data and monitor the City of Portsmouth's program implementation and performance. If there is need to establish or change the depository account to which these grant funds are to be wired, a Direct Deposit Sign-Up Form (SF-1199A) must be completed by you and your financial institution and mailed to this office.

Grantees are reminded that the Recovery Act was enacted to provide an immediate stimulus to the economy. The quarterly reporting requirements discussed below are one manifestation of the need for all grantees to demonstrate how CDBG-R funds are being put to immediate use, to stimulate the economy as well as to produce long-term improvements. Another reason that Recovery Act funds have been provided to states and local governments is the recognition that states and local governments are suffering from serious budgetary constraints as a result of simultaneous revenue shortfalls and increased demand for services. The current practice by many grantees - to meet immediate cash needs by paying outstanding obligations for CDBG activities with local funds, and then to obtain reimbursement from their Line of Credit on a semi-annual or yearly basis - works against governments' fiscal constraints as well as the transparency provisions of the Recovery Act. HUD strongly encourages grantees to examine their current funds drawdown practices for HUD formula grant funding, and to make adjustments as necessary to ensure that CDBG-R funds are drawn down on a regular basis. HUD expects that grantees will draw down CDBG-R funds on at least a quarterly basis, assuming the existence of actual cash needs for CDBG-R activities, and consistent with federal financial management regulations.

Certain activities are subject to the provisions of 24 CFR Part 58, Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities. Funds for such activities may not be obligated or expended unless the release of funds has been approved in writing by HUD. A request for the release of funds must be accompanied by an environmental certification (appropriate forms are enclosed).

The Recovery Act requires that all State and local governments receiving Recovery Act funds report on the status of the environmental compliance reviews for all of their Recovery Act funded activities. HUD grantees are required to go to: http://portal.hud.gov/app_ramps/ and complete the information for all Recovery Act funded activities. Information should be entered when an activity's environmental compliance review is started and when it is completed. This reporting requirement will continue throughout the implementation period of the activity.

You are also reminded that the Recovery Act requires timely and accurate reporting of the CDBG-R grant in IDIS. Section 1512 of the Recovery Act requires that no later than 10 days after the end of each calendar quarter, each grantee is required to comply with quarterly reporting requirements regarding: (1) the total amount of recovery funds received; (2) the amount of recovery funds received that were expended or obligated to project activities; and (3) a detailed list of all projects or activities for which recovery funds were expended or obligated, including the name of the project or activity; a description of the project or activity; an evaluation of the

completion status of the project or activity; an estimate of the number of jobs created and number of jobs retained by the project or activity; and for infrastructure investments made, the purpose, total cost and rationale of the agency for funding infrastructure investment with funds made available under the Recovery Act and name of person to contact at the City of Portsmouth, if there are concerns with the infrastructure investment.

At this time, HUD intends that grantees will enter this data into IDIS so that HUD can automatically generate the quarterly reports. However, the Office of Management and Budget has not finalized the government-wide reporting requirements for Recovery Act funds, and may not do so until mid-August. HUD will provide guidance on specific reporting requirements at a later date. The necessary changes to IDIS to accommodate CDBG-R reporting requirements have not been fully implemented yet. In the meantime, please make sure you are collecting all necessary data, both from grantee sources and from all subrecipients and contractors, as it may be necessary for you to backfill this data into IDIS at a later date once system changes have been made.

Section 1605 of the Recovery Act requires grantees to comply with provisions of the Buy American Act for all CDBG-R assisted public buildings and public works. HUD is in the process of developing further implementation guidance for grantees regarding compliance with this provision and the process for requesting a waiver of these provisions.

Section 1604 of the Recovery Act contained language that significantly expanded the applicability of Davis-Bacon Act labor standards provisions to CDBG-R funded construction work. Please be advised that Section 1205 of the Supplemental Appropriations Act signed by President Obama on June 24, 2009, repealed the applicability of Section 1604 of the Recovery Act to CDBG-R activities. All CDBG-R funded construction activities are now subject to the same labor standard provisions that apply to regular (annual formula) CDBG funding, pursuant to Section 110 of the Housing and Community Development Act of 1974, as amended.

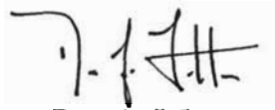
Grantees are reminded that all first-tier subrecipients and contractors, as well as the grantee itself, are required to have or obtain a DUNS number, and to register with the Central Contractor Registration (CCR). Registration information for the Central Contractor Registry can be found at: <http://www.ccr.gov/startregistration.aspx>. DUNS number registration information can be obtained at: http://www.grants.gov/applicants/request_duns_number.jsp.

Please return two copies of the executed grant agreement to this office at the following address:

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
600 E. Broad, 3rd Floor
Richmond, VA 23219

If you have any questions or require any assistance, please contact me at (804) 822- 4831. Staff requiring any technical assistance should contact Doug Sease, Senior CPD Representative, at (804) 822-4835. We look forward to working with you and your staff throughout the coming year.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. J. Legette', enclosed in a light gray rectangular box.

Ronnie J. Legette
CPD Director

cc:
Jeffrey Crimer
Planner

Enclosures:

Funding Approval/Agreement (3)
IDIS Access Request
Request for Release of Funds

**SPECIAL CONDITIONS TO THE GRANT AGREEMENT FOR
COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY (CDBG-R) FUNDS
AUTHORIZED AND APPROPRIATED
UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
(PUBLIC LAW 111-5, FEBRUARY 17, 2009)**

CDBG-R GRANTEE: City of Portsmouth

CDBG-R GRANT NUMBER: B-09-MY-51-0018

CDBG-R GRANT AMOUNT: \$473,578

CDBG-R APPROVAL DATE: July 17, 2009

Special Conditions:

The terms of the Grant Agreement include the following special conditions:

1. The Grant Agreement between the U.S. Department of Housing and Urban Development (HUD) and the above named Grantee, is made pursuant to the authority of Title XII of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) (the Recovery Act). The Grantee acknowledges that the CDBG-R grant is one-time funding.
2. The Grant Agreement is governed by and the Grantee shall comply with the requirements of the Recovery Act; the Notice of Program Requirements for Community Development Block Grant Program Funding Under the American Recovery and Reinvestment Act of 2009, 74 Fed. Reg. 21816 (May 11, 2009) available at [http://www.hud.gov/recovery/cdblock.cfm](http://www.hud.gov/recovery/cdbblock.cfm) (as now in effect and as may be amended from time to time) (the Notice); Title I of the Housing and Community Development Act of 1974, as amended (42 USC 5301 et seq.) (as modified by the Notice); and, the HUD regulations at 24 CFR part 570 (as now in effect and as may be amended from time to time) as modified by the Notice (the Regulations). The Grantee's submissions, the Notice, the Funding Approval/Agreement (form HUD-7082) and the special conditions described herein are incorporated by reference and constitute part of the Grant Agreement. Submissions include the CDBG-R action plan substantial amendment, including the certifications and assurances and any information or documentation required to meet any grant award conditions. In the event of conflict between a provision of the Grantee's submissions and any other provision of this Grant Agreement document, the latter shall control.
3. The Grantee shall comply with government wide guidance and standard award terms established by the Office of Management and Budget (OMB) concerning the implementation of the Recovery Act, including *Requirements for Implementing Sections 1512, 1605, and 1606 of the American Recovery and Reinvestment Act of 2009 for Financial Assistance Awards*, 74 Fed. Reg. 18449 (April 23, 2009) (to be codified at 2 CFR Part 176) (as now in effect and as may be amended from time to time). Notwithstanding the foregoing, the Grantee shall comply with Section 110 of the CDBG Statute concerning the Davis-Bacon Act. The Grantee shall comply with reporting requirements established by HUD and OMB

(including all revisions to such reporting requirements), as well as Sections 1511, 1515, and 1553 of the Recovery Act (including implementing guidance).

4. The Grantee shall at all times maintain an up-to-date copy of its Grantee Submission, including all amendments approved by HUD, on its Internet website as required by the Notice. The Grantee shall maintain information on all drawdowns, deposits, and expenditures of grant funds and program income under this Grant Agreement and any other records required by applicable law, in its files, and shall make such information available for audit or inspection by duly authorized representatives of HUD, HUD's Office of the Inspector General, the Recovery Act Transparency Board, or the Comptroller General of the United States.
5. In addition to other lawful remedies, HUD reserves the right to restrict access to grantees' CDBG-R funds for delinquent, incomplete, or inaccurate reporting. This includes the right to suspend access to the Integrated Disbursement and Information System (IDIS) should the Grantee fail to comply with quarterly CDBG-R reporting requirements.
6. The Grantee may take advantage of the pre-award costs provisions at 24 CFR 570.200(h) to incur pre-award costs associated with the development of the substantial amendment to the action plan beginning May 5, 2009. The Grantee may also incur costs prior to the grant award for specific activities as of the date the CDBG-R action plan substantial amendment was submitted to HUD.
7. The Grantee is advised that providing false, fictitious or misleading information with respect to CDBG-R funds may result in criminal, civil or administrative prosecution under 18 U.S.C. § 1001, 18 U.S.C. § 1343, 31 U.S.C. § 3729, 31 U.S.C. § 3801 or another applicable statute. The Grantee shall promptly refer to HUD's Office of the Inspector General any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving CDBG-R funds.
8. In any contract involving the use of CDBG-R funds, the Grantee shall include, and require its subrecipients and contractors to include, a project sign provision consistent with criteria established by the Secretary.
9. The Grantee shall have until September 30, 2012, to expend the entire CDBG-R Grant Amount. CDBG-R funds not expended by September 30, 2012, will be recaptured by HUD.
10. The Grantee shall extend all applicable terms and conditions of this grant award to subrecipients and contractors, including obtaining a DUNS number (or updating the existing DUNS record), and registering with the Central Contractor Registration (CCR).
11. The Grant Agreement may be amended in writing by HUD. In considering proposed amendments to this Grant Agreement, HUD shall review, among other things, whether the amendment is otherwise consistent with the Recovery Act, the Housing and Community Development Act, the Notice and the Regulations.

Funding Approval/Agreement

Title I of the Housing and Community Development Act (Public Law 930383)

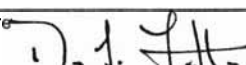
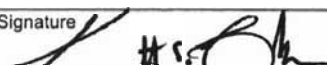
U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Community Development Block Grant Program

07-27-09P01:23 FILE

HI-00515R of 20515R

1. Name of Grantee (as shown in item 5 of Standard Form 424) CITY OF PORTSMOUTH	3. Grantee's 9-digit Tax ID Number 546001512	4. Date use of funds may begin (mm/dd/yyyy) 07/17/2009
2. Grantee's Complete Address (as shown in item 5 of Standard Form 424) P O BOX 820 PORTSMOUTH, VA 23705 861/00161 DUNS # - 010052488	5a. Project/Grant No. 1 B09-MY-51-0018	6a. Amount Approved \$473,578
	5b. Project/Grant No. 2	6b. Amount Approved
	5c. Project/Grant No. 3	6c. Amount Approved

Grant Agreement: This Grant Agreement between the Department of Housing and Urban Development (HUD) and the above named Grantee is made pursuant to the authority of Title I of the Housing and Community Development Act of 1974, as amended, (42 USC 5301 et seq.). The Grantee's submissions for Title I assistance, the HUD regulations at 24 CFR Part 570 (as now in effect and as may be amended from time to time), and this Funding Approval, including any special conditions, constitute part of the Agreement. Subject to the provisions of this Grant Agreement, HUD will make the funding assistance specified here available to the Grantee upon execution of the Agreement by the parties. The funding assistance specified in the Funding Approval may be used to pay costs incurred after the date specified in item 4 above provided the activities to which such costs are related are carried out in compliance with all applicable requirements. Pre-agreement costs may not be paid with funding assistance specified here unless they are authorized in HUD regulations or approved by waiver and listed in the special conditions to the Funding Approval. The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and actions, as specified and required in regulations issued by the Secretary pursuant to Section 104(g) of Title I and published in 24 CFR Part 58. The Grantee further acknowledges its responsibility for adherence to the Agreement by sub-recipient entities to which it makes funding assistance hereunder available.

U.S. Department of Housing and Urban Development (By Name) RONNIE J. LEGETTE	Grantee Name KENNETH L. CHANDLER
Title DIRECTOR, OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT	Title CITY MANAGER
Signature 	Date (mm/dd/yyyy) 07/17/2009
Signature 	Date (mm/dd/yyyy) 08-06-09

7. Category of Title I Assistance for this Funding Action (check only one) a. Entitlement, Sec 106(b) <input type="checkbox"/> b. State-Administered, Sec 106(d)(1) <input type="checkbox"/> c. HUD-Administered Small Cities, Sec 106(d)(2)(B) <input type="checkbox"/> d. Indian CDBG Programs, Sec 106(a)(1) <input type="checkbox"/> e. Surplus Urban Renewal Funds, Sec 112(b) <input type="checkbox"/> f. Special Purpose Grants, Sec 107 <input type="checkbox"/> g. Loan Guarantee, Sec 108	8. Special Conditions (check one) <input type="checkbox"/> None <input checked="" type="checkbox"/> Attached	9a. Date HUD Received Submission (mm/dd/yyyy) 06/05/2009	10. check one <input checked="" type="checkbox"/> a. Orig. Funding Approval <input type="checkbox"/> b. Amendment Amendment Number
		9b. Date Grantee Notified (mm/dd/yyyy) 07/24/2009	
		9c. Date of Start of Program Year (mm/dd/yyyy)	

11. Amount of Community Development Block Grant	FY (yyyy) 2009	FY (yyyy)	FY (yyyy)
a. Funds Reserved for this Grantee	473,578		
b. Funds now being Approved	473,578		
c. Reservation to be Cancelled (11a minus 11b)			

12a. Amount of Loan Guarantee Commitment now being Approved Not Applicable	12b. Name and complete Address of Public Agency Not Applicable
Loan Guarantee Acceptance Provisions for Designated Agencies: The public agency hereby accepts the Grant Agreement executed by the Department Housing and Urban Development on the above date with respect to the above grant number(s) as Grantee designated to receive loan guarantee assistance, and agrees to comply with the terms and conditions of the Agreement, applicable regulations, and other requirements of HUD now or hereafter in effect, pertaining to the assistance provided it.	12c. Name of Authorized Official for Designated Public Agency Not Applicable
	Title
	Signature _____ Date (mm/dd/yyyy)

HUD Accounting use Only

Batch	TAC	Program	Y	A	Reg	Area	Document No.	Project Number	Category	Amount	Effective Date (mm/dd/yyyy)	F
	153											
	176											
			Y									
			Y									

Date Entered PAS (mm/dd/yyyy)	Date Entered LOCCS (mm/dd/yyyy)	Batch Number	Transaction Code	Entered By	Verified By
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IDIS Access Request

01212003

This form is to be completed by the recipient's (or grantee's) chief executive officer or designated representative. **Send notarized original to your local HUD CPD Field Office.**

Privacy Act Statement: Public Law 97-255, Financial Integrity Act, 31 U.S.C. 3512, authorizes the Department of Housing and Urban Development (HUD) to collect all the information which will be used by HUD to protect disbursement data from fraudulent actions. The purpose of the data is to safeguard the Integrated Disbursement and Information System (IDIS) from unauthorized access. The data are used to ensure that individuals who no longer require access to IDIS have their access capability promptly deleted. This information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Failure to provide the information requested on the form may delay the processing of your approval for access to IDIS.

Action

New Request Renew Lapsed ID Drop From IDIS
Add Access To Another Grantee Change Name/Functions/Grantee

Information

Authorized User's Name (Last, First, MI):	E-mail Address:
Social Security Number (SSN):	Office Phone:
Office Address:	CPD Use: UOG Code:
Grantee Organization's Name:	I am with a: City <input type="checkbox"/> County <input type="checkbox"/> State <input type="checkbox"/> Sub Grantee <input type="checkbox"/> *

Please Mark All Necessary Functions:

Authorized Functions	Set Up Activity <input type="checkbox"/>	Request Drawdown <input type="checkbox"/>
	Approve Drawdown <input type="checkbox"/>	Local IDIS Administrator <input type="checkbox"/>
Program Areas	CDBG <input type="checkbox"/>	HOME <input type="checkbox"/> ESG <input type="checkbox"/> HOPWA <input type="checkbox"/>

Note: Every IDIS user can view activities and generate reports even if no functions are authorized.

Authorization

Authorized User's Signature	Date
Field Office Approval (CPD Director or Designee):	Date

(NOTE: You can't authorize yourself, only your CEO or "grant holder" can.)
I authorize the person above to access IDIS, with the functions checked. (Typed please)

Notary (signature and date):

Approved by: Name: _____ Office Phone: () - ext. _____
Title: _____
Office Address: (Street, City, State, Zip) _____
Approving Official's Signature _____ Date: _____

* Approval of State Subgrantee Request - CPD State Coordinator or State Official name, signature, and date:
Name: _____ Signature: _____ Date: _____

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Request for Release of Funds and Certification

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB No. 2506-0087
(exp. 3/31/2011)

This form is to be used by Responsible Entities and Recipients (as defined in 24 CFR 58.2) when requesting the release of funds, and requesting the authority to use such funds, for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and States. Public reporting burden for this collection of information is estimated to average 36 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Part 1. Program Description and Request for Release of Funds (to be completed by Responsible Entity)

1. Program Title(s)	2. HUD/State Identification Number	3. Recipient Identification Number (optional)
4. OMB Catalog Number(s)	5. Name and address of responsible entity	
6. For information about this request, contact (name & phone number)	7. Name and address of recipient (if different than responsible entity)	
8. HUD or State Agency and office unit to receive request		

The recipient(s) of assistance under the program(s) listed above requests the release of funds and removal of environmental grant conditions governing the use of the assistance for the following

9. Program Activity(ies)/Project Name(s)	10. Location (Street address, city, county, State)
11. Program Activity/Project Description	

Part 2. Environmental Certification (to be completed by responsible entity)

With reference to the above Program Activity(ies)/Project(s), I, the undersigned officer of the responsible entity, certify that:

1. The responsible entity has fully carried out its responsibilities for environmental review, decision-making and action pertaining to the project(s) named above.
2. The responsible entity has assumed responsibility for and complied with and will continue to comply with, the National Environmental Policy Act of 1969, as amended, and the environmental procedures, permit requirements and statutory obligations of the laws cited in 24 CFR 58.5; and also agrees to comply with the authorities in 24 CFR 58.6 and applicable State and local laws.
3. After considering the type and degree of environmental effects identified by the environmental review completed for the proposed project described in Part 1 of this request, I have found that the proposal did did not require the preparation and dissemination of an environmental impact statement.
4. The responsible entity has disseminated and/or published in the manner prescribed by 24 CFR 58.43 and 58.55 a notice to the public in accordance with 24 CFR 58.70 and as evidenced by the attached copy (copies) or evidence of posting and mailing procedure.
5. The dates for all statutory and regulatory time periods for review, comment or other action are in compliance with procedures and requirements of 24 CFR Part 58.
6. In accordance with 24 CFR 58.71(b), the responsible entity will advise the recipient (if different from the responsible entity) of any special environmental conditions that must be adhered to in carrying out the project.

As the duly designated certifying official of the responsible entity, I also certify that:

7. I am authorized to and do consent to assume the status of Federal official under the National Environmental Policy Act of 1969 and each provision of law designated in the 24 CFR 58.5 list of NEPA-related authorities insofar as the provisions of these laws apply to the HUD responsibilities for environmental review, decision-making and action that have been assumed by the responsible entity.
8. I am authorized to and do accept, on behalf of the recipient personally, the jurisdiction of the Federal courts for the enforcement of all these responsibilities, in my capacity as certifying officer of the responsible entity.

Signature of Certifying Officer of the Responsible Entity	Title of Certifying Officer
X Address of Certifying Officer	Date signed

Part 3. To be completed when the Recipient is not the Responsible Entity

The recipient requests the release of funds for the programs and activities identified in Part 1 and agrees to abide by the special conditions, procedures and requirements of the environmental review and to advise the responsible entity of any proposed change in the scope of the project or any change in environmental conditions in accordance with 24 CFR 58.71(b).

Signature of Authorized Officer of the Recipient	Title of Authorized Officer
X	Date signed

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)