

Developing the Plan

During the Pre-Contract Activities period, DHCD requires that a Staffing and Operations Plan be developed along with any necessary agreements with service providers. It must be approved by DHCD. The Plan must be scanned in its entirety and as a single document and uploaded into “Reports and Communication” in CAMS as a *contract* document. The plan should be tailored to the needs of the project, and therefore DHCD does not provide a model Plan. However, there are a number of items to be considered and several DHCD requirements that must be followed. These requirements are provided immediately below:

Purpose and Objective

Provide a description outlining the broad objective of community service facilities program as funded.

Benefit Requirements

The following benefit requirements must be incorporated into the Plan:

- At least 51% of the persons who receive services must be low-and moderate-income (LMI);
- Access fees (fees not related to actual services) cannot be charged to LMI persons and service fees must be affordable to LMI households; and
- How services must be provided for twenty (20) years.

Plan Requirements

The Grantee must submit a Five-Year Staffing and Operations Plan. The Plan is the means for implementing an effective transition from the grant acquisition and construction phases of the project to the facility operation phase. It is critical because CDBG funds *cannot* be used to operate the facility.

Two concerns underlie this requirement. First, the Grantee must demonstrate that the required benefits will be provided to the targeted populations in order to substantiate the claim of benefit and eligibility for CDBG funding. Second, any fees that are to be charged to beneficiaries must be substantiated as “reasonable,” that is affordable to LMI persons, and sufficient in terms of the projected income and expenses of the facility.

The Plan should be a refinement and finalization of the information provided in the application for funding, documenting the sustainability of the project.

Types and Levels of Fees Charged for Services Provided

Affordable service fees may be charged to LMI persons or households for the use of the facility but access fees (fees not related to actual services), which will have the effect of precluding LMI persons from using the facility, are not permitted.

Staffing and Oversight

The Plan's staffing section must address the following, as applicable to the type of facility being developed:

- Identification of each service provider;
- A brief description of all services to be provided by each provider, including space needs and scheduling;
- Identification of the clientele to be served by each provider;
- Description of staffing levels per type of position;
- Names, titles and addresses for the Board of Directors or the Executive Committee of the entity operating the program and the Program Director; and
- A description of how the Grantee will provide oversight on the continued eligible use, maintenance and disposition of the facility at least annually.

Facility Ownership and Operation

The Plan's facility operation section must address the following, as applicable to the type of facility being developed:

- Identification of the owner and, if different, operator of the facility;
- Names, titles and addresses for the Board of Directors or the Executive Committee of the entity operating the facility and the projected Facility Director;
- A copy of the proposed lease or deed for the property;
- Copies of the permits to occupy and operate from all of the required agencies and authorities or their requirements and applications and status report of each outstanding permit;
- Information about the facility's equipment, materials and supplies necessary to provide the services; and

- Financial information including:
 - A budget for the first year of operating the facility and delivering the service;
 - Projected revenue and expenditures for each of the next five (5) years, including a description of the types and levels of fees to be charged to beneficiaries (see below);
 - Description of how program income will be used (see below);
 - Facility's resources and funding sources;
 - Plans to address any operating revenue shortfalls;
 - A moving-in, equipping, and start-up plan and schedule; and
 - If the Grantee will not be managing the facility, a description of the method by which the locality will provide oversight on the continued eligible use and maintenance of the facility.

Sale or Transfer of the Facility

DHCD must approve the sale or transfer of the facility or change in use from the original approved purpose. Proceeds from a sale must be returned to DHCD or be used for an eligible activity as approved by DHCD.

If the ownership of the facility is leased to another entity providing the service(s), the lease must show that this entity will be responsible for the operation, maintenance and upkeep of the facility and the program. The lease must include all benefit and program requirements as outlined here. It must also require an annual report to the Grantee on the number of persons who received services by type(s) of services. A lien must be attached to the lease requiring the delivery of service(s) for a minimum of twenty (20) years, ;

Program Income Disposition

Any fees earned in excess of expenses will be considered Program Income. Service providers must provide an annual accounting report within four (4) months of the close of its financial fiscal year to the Grantee. Any program income must be turned over to the Grantee along with this report. The funds must be used to provide benefits to low-to-moderate income families using the facility. Any rent collected will also be considered Program Income.

Agreements with Service Providers

All agreements pertaining to the provision of services to beneficiaries must be completed, reviewed by DHCD and executed according to a negotiated schedule, usually specified during the Contract Negotiations Meeting. At a minimum, such agreements must ensure that services

are provided in a manner that achieves a measurable, positive change in the persons who use the facility. They must include the following:

- Description of types of services to be provided and the number, extent and identity of clients served;
- Identification of who will be responsible for the hiring, training, paying and supervising of all staff;
- Identification of who will be responsible for providing equipment and furnishings;
- Identification of who will be responsible for utilities and other maintenance costs;
- Inventory requirements;
- Insurance requirements;
- “Hold harmless” clause for the Grantee;
- Documentation requirements for services provided (see below);
- Types and levels of fees charged for services provided;
- Whether or not rent will be charged for use of the facility;
- Program income disposition;
- Retention of records requirements; and
- A copy of the 501(c)3 approval for each non-profit entity that will provide services.



Call your DHCD Community Development Specialist if you would like samples of agreements.

Farmers’ Market

There are some features unique to a Farmers’ Market:

- If a not-for-profit organization is created to oversee the venue’s strategic and operational direction, the Plan should include a discussion on the following:
 - How the Grantee will continue to provide the required oversight;
 - Who will be responsible for maintaining insurance to protect the CDBG investment in the venue;
 - Who will be responsible for the venue’s utilities and maintenance;

- Who will serve as the Facility Manager, who will provide oversight to that position and its job description;
 - Who will be responsible for marketing the venue and a description of the marketing efforts;
 - How all applicable CDBG benefit, recordkeeping and other applicable requirements will be transferred to the organization; and
 - A copy of the organization's Board of Directors roster and by-laws should be attached to the Plan;
- As part of the application form, all vendors who apply for a space in a Farmers' Market must provide a DUNS number.
 - As part of their contract, all vendors must agree to accept payment through the use of the Electronic Benefits Transfer (EBT) debit card issued by either the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) or the Supplemental Nutritional Assistance Program (SNAP) for eligible food items.
 - The Plan should include a discussion on whether or not a Marketing Manager will be retained to help ensure the venue's success. If one will be hired, the Plan should describe who will provide oversight to the position and its job description.
- ☒ It is strongly recommended that an Advisory Council of the Grantee, market vendors, concessionaires, entertainers and users be formed to advise on how to improve and market the facility.

Documentation Requirements for Services Provided

Demographic data must be kept for all persons who are applicants for, participants in, or beneficiaries of the program. These persons must be identifiable by name, residence, income status, race, ethnicity, age, sex, national origin, disability status, and the nature of the benefit. This information must be maintained by the Grantee. If the Grantee is not providing the services directly, the service provider(s) must submit this information to the Grantee at least annually in a format consistent with DHCD requirements.

Beneficiaries' status as LMI persons or protected populations must be documented through referrals, self-certified client income/intake forms, police reports (domestic violence), and other records developed and maintained by the facility for this purpose.

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