

APPENDIX E

Documenting Jobs

For projects proposing business loans, or infrastructure grants, all jobs must be converted into full-time equivalent positions. A full-time equivalent employee is an individual who is employed for 40 hours a week on the average or a combination of individuals with combined hours of employment equal to 40 hours per week. If the assisted business fails to meet the required job numbers at the end of the project, and their industry standard is less than 40 hours a week for an FTE, the Department may take this into consideration on a case-by-case basis.

Permanent year-round jobs are the priority of the program. Only jobs that the assisted business directly creates within a 24-month contract period following funding award will be counted toward this requirement. The Department cannot consider jobs created indirectly by an assisted activity.

If part-time or seasonal employment is proposed, the application must include an estimate of the number of hours to be worked each year for each proposed position. Temporary construction jobs, other temporary jobs, and some seasonal jobs will not be counted unless seasonal jobs are the primary occupation and the principal source of income to the LMI persons for the year. This situation is very difficult to document and is not encouraged for CDBG-ED projects.

The base level of employment with a list of all current employees and job titles must be provided with the application in order to determine the actual number of new FTE's created. For existing firms, applicants must provide employment levels for the past year. The date for determining the base level of employees will be the date the Department determines that the local government's application is complete. For job retention projects, the assisted business must provide a list of current employees, along with job titles and income levels at the time of application. If the project is funded, the business will have to complete a job tracking spreadsheet as part of the start-up conditions. The spreadsheet will then need to be updated quarterly until the project is closed out.

Minimum job requirements should not exceed the equivalent of a high school education, in order to be counted as a job opening available to be filled by LMI persons. If job qualification requirements exceed the equivalent of a high school education training can be provided to enable otherwise unqualified persons to qualify for the position. The jobs that are to be created must be physically accessible to the LMI population within a reasonable geographic area.

The family income is considered at the time the jobs are filled or retained, not after the LMI person is hired. For new hires, income is determined for the year prior to the date the person is hired.

For projects involving the retention of jobs, the income levels should be documented using the prior year's income of the family. The verification forms should be completed no more than 30 days prior to submittal of the application. The application must provide clear and objective evidence that, without the CDBG-ED assistance, the jobs would be lost. The business must commit to filling as many new job openings from turnover and job creation as is reasonably possible with LMI persons. The full application must include a complete listing of all existing jobs. The application must indicate which positions LMI persons currently hold. (Forms and information are available on the CDBG-ED website.) The business should provide an estimate of its expected job turnover rate during the next two years, especially if job turnover will be counted toward the LMI benefit percentage. Businesses claiming retention of jobs must submit with the full application documentation verifying that the existing employees are eligible to be considered LMI by

using the income verification form provided upon request by the Department. Income survey forms and racial category forms must be completed for each retained FTE.

Assistance for developing a hiring and training plan may be obtained from the local Job Service or the Human Resources Development Councils. HUD will accept persons eligible as LMI persons under other job training programs, except for those eligible under the Dislocated Workers Program.

Grantees must ensure that the assisting agency, the assisted business and the grantee maintain complete hiring records. Federal regulations and reporting requirements require that racial, ethnic and gender characteristics information be maintained for all job applicants and new hires.

Applicants should take into consideration equal opportunity and nondiscrimination laws to ensure that women and minorities are not excluded from participation, denied the benefit of, or subjected to discrimination under any program or activity funded in whole or in part with CDBG-ED funds.

ANTI-PIRATING. The assisted business must agree to comply with the Prohibition on Use of Community Development Block Grant Assistance for Job-Pirating Activities under 24 CFR, Part 570, Prohibition on Use of Assistance for Employment Relocation Activities. Notwithstanding any other provision of law, no amount from a grant under section 106 made in fiscal year 1999 or any succeeding fiscal year may be used to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from one labor market area to another labor market area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs. A significant loss of employment is defined as 500 or more jobs. The assisted business must sign a certification agreeing to comply with 24 CFR 570.482 (3)(i) through (iii). Applicants may use the template provided at the end of this appendix.