

Exhibit J - STATEMENT OF ACTIVITIES

The preapplication must include a statement of activities proposed by the applicant for its HPG program as appropriate to the type of assistance the applicant is proposing.

The statement of activities must be published for public comment in a print or online newspaper and allow at least 15 days for public comment. The start of the 15-day period must occur no later than 16 days prior to the last day for acceptance of the preapplications by Rural Development, see § 1944.674. The statement of activities should include § 1944.676(b)(1) paragraphs (i) through (xvii):

- (i) A complete discussion of the type of and conditions for financial assistance for housing preservation, including whether the request for assistance is for a homeowner assistance program, a rental property assistance program, or a cooperative assistance program.**

SHORE UP Inc's Housing Preservation Grant (HPG) program funds, if awarded, will be used solely for homeowners that are income eligible. The conditions for financial assistance are as follows: (1) the homeowner must qualify under the Rural Development (RD) guidelines for the HPG; (2) the home must be repairable at a reasonable cost; (3) the necessary repairs will be those authorized under HPG; (4) the resources needed are obtainable under the HPG; and (4) the homeowners served are low and very-low income, as defined by Rural Development.

Statement of Activities:

SHORE UP Inc will assist very low and low-income homeowners in the tr-county area of the Lower Eastern Shore of Maryland, which consists of Somerset, Wicomico, and Worcester counties with the preservation of dwellings. Housing Preservation Grant funds will be used for the repair and rehabilitation activities that contribute to the health, safety, and well-being of the occupant, and contribute to the structural integrity or long-term preservation of the unit as defined by Rural Housing Services (RHS) 1944.656 and other repairs as authorized by RHS 1944.664.

Our assistance for homeowners includes, but is not limited to the following:

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| 1. Repair or replacement of a roof | 6. Installation of storm doors/windows |
| 2. Removal of any health hazard | 7. Installation of ramps for accessibility |
| 3. Repair of a basement | 8. Installation or repair of a septic system |
| 4. Replacement of deteriorated siding | |
| 5. Repair or provision for structural supports | |

- (ii) The process for selecting recipients for HPG assistance, determining housing preservation needs of the dwelling, performing the necessary work, and monitoring/inspecting work performed.**

The process for selecting recipients of HPG funding and services will follow the RD instruction 1944.661. Low and very low-income homeowners, in accordance with the Equal Opportunity requirements and RD, will be processed on a first-come, first-serve basis. The application used by SHORE UP! Inc. to determine eligibility with the OHEP or DHCD energy assistance program application. They are made available onsite or online and will contain the following:

- Name and address of the proposed applicant(s).
- Age and the number of individuals living in the dwelling for all or a part of the next twelve months.
- Homeowner's eligibility, based on the income requirement outlined in RD1944.661
- Applicant's signature
- Date the application was completed by the applicant.
- Race or ethnic group and sex designation of the persons living in the dwelling or unit to be assisted with HPG funds for all or a part of the next twelve months.
- Any other required demographic information in accordance with RD Instruction 1944.661.

In a reasonable time, not to exceed thirty (30) days, staff will decide whether the application is eligible. The Weatherization Staff will maintain a waiting list of qualified individuals who have completed the OHEP/DHCD application. Once the client's eligibility has been determined, the home will be assessed by the Agency or a subcontractor to determine any code violations or health/safety hazards. The removal of health and safety hazards will take priority over other rehabilitation work.

The Agency or subcontractor will list all observations and develop the work plan. After the preliminary information or data has been collected, the client will be advised of proposed home rehabilitations. All information will be shared with the homeowner including a plan of action, cost estimate, and financing strategy. The work plan and cost estimate will be presented to SHORE UP, Inc. staff committee known as the Committee Review Board, for the review of each request, to approve and prioritize the work.

The Project Manager will oversee the rehabilitation project for each dwelling. This can involve contacting the customer, arranging a suitable time to do the work, and securing client approval of final work plans. If the work is significant, bids will be requested for the labor and/or materials. For significant projects, the successful bidder makes the proper arrangements with the eligible client.

On a consistent basis, the Project Manager will perform both scheduled and unscheduled on-site visits to each home. These visits will ensure the quality of craftsmanship of the contractor. Additionally, a certified housing inspector will perform a third-party inspection to ensure quality and compliance with state and local housing codes. All information gathered during monitoring and inspections will be shared with the Housing Administrator.

- (iii) A description of the process for identifying potential environmental impacts in accordance with § 1944.672 of this subpart, and the provisions for compliance with Stipulation I, A-G of the PMOA (RD Instruction 2000–FF available in any Rural Development office) in accordance with § 1944.673 (b) of this subpart. With the exception of Stipulation I, D of the PMOA, this may be accomplished by adoption of Exhibit F–1 of this subpart (available in any Rural Development office), or another process supplying similar information acceptable to Rural Development.**

Each property will be evaluated individually. Please see Form RD 1940-20 (Appendix C)

- (iv) The development standard(s) the applicant will use for the housing preservation work; and, if not, the Rural Development standards for existing dwellings, the evidence of its acceptance by the jurisdiction where the grant will be implemented.**

SHORE UP! Inc. will use the RD Development Standards of Work on all homes that receive HPG loans or grants. The Code Administrator and Building Officials will use the same standard.

- (v) The time schedule for completing the program.**

The project proposes to complete six (6) homes for the Fiscal Year 2026- 2027. The schedule permits for a two-month start up, eight months working on the homes, two-month wrap-up, and a refunding push.

Months 1 – 2	Identify homes to start work on and begin service delivery; commit leverage funds; continue client recruitment; report progress.
Months 3-10	Rehabilitate an average of six(6) homes between months three through ten; report progress monthly; do quarterly reports to RD; leverage funds from local and state sources.
Month 6	Annual project evaluation; seek continuation of funding.
Months 11 - 12	Closeout FY 2026 - 2027 Grant and secure FY 2027 – 2028 funding commitment; prepare for FY 2027-2028 start up; compile information for Annual Agency

- (vi) The staffing required to complete the program.**

The Project Manager will continue to manage the project under the Office of Housing and Community Development, overseen by a SHORE UP! Inc. Administrator. SHORE UP! Inc.

will provide administrative, clerical, fiscal, and other technical assistance. Staff will assist with estimations, plans, inspections, and construction labor in the absence of the Project Manager.

The following SHORE UP! Inc. staff will be supporting the Housing Preservation Program:

Executive Director: Our current Executive Director has over 32 years of construction field experience. His expertise includes residential home repair modifications through the Weatherization Assistance Program (WAP). He served in the capacity of administrator and provided oversight to that program for over 15 years. He has also served in the capacity of a Housing Counselor. He was instrumental in our Self-Help Housing Program to provide technical assistance to clients in construction related matters. He has held certifications as a Comprehensive Housing Counselor, Lead Paint Abatement and Demolition Supervisor, Financial Trainer, Assisted Housing Manager, and 515 FmHA S.T.A.R., respectively. He is also certified as a national Results Oriented Management Assessment (ROMA) master trainer.

Chief Operating Officer: This individual has over 35 years' experience with our agency. She provides sound guidance in the administration and compliance of our agency's programs. She has worked directly in our Weatherization and Self-Help Housing programs in her history with our agency. Presently she oversees numerous programs including our HUD Certified Housing Counseling Program and our Loretta Village subsidized apartment complex.

Administrator: The current Administrator of Housing and Community Development. He has 3 years' experience in his current position. In addition to Housing Preservation, he oversees energy assistance and weatherization programs.

Director: The current director and program manager for our HPG Program has 2 years' experience in management here at SHORE UP Inc. She is also the director for our Weatherization Program.

Energy Auditor and Quality Control Inspector: This position will aide in overseeing jobs from beginning to completion.

Weatherization Administrative Assistant: This position maintains client files, assigning clients to subcontractors, and fielding phone calls.

Third Party Inspector: Our agency will use a vendor to thoroughly inspect our work to ensure that we are maintaining full compliance with the Maryland Livability Code and restoring these homes in accordance with state guidelines to keep our housing units safe, preserved, and compliant.

- (vii) The estimated number of very low- and low-income minority and nonminority persons the grantee will assist with HPG funds; and, if a rental property or**

cooperative assistance program, the number of units and the term of restrictive covenants on their use for very low- and low-income.

The estimated number of very low and low-income minority and nonminority persons the grantee will assist with HPG Funds 1944.676 (b) (1) (vii) -At least six (6) households will be served. An estimated four (4), or 66.7%, of the six (6) homes are owned and occupied by very low-income minority and nonminority families; two (2), or 33.3%, of the homes to be preserved will be owned and occupied by low-income minority and nonminority families. Of the 6 HPG recipients, 67% or four(4) families assisted will be minority homeowners and 23% or two(2) families assisted will be non-minority homeowners.

We are requesting funding in the amount of \$70,000 to help operate our program for the 2026-2027 program year. Eighty-five percent (85% or \$59,500) of the grant awarded will be used to rehabilitate homes of homeowners unable to afford home rehabilitation on their own. Fifteen percent (15% or \$10,500) of the grant awarded will be used for administrative costs. In addition, Housing Preservation Grant (HPG) funds will be leveraged at 100%, with a dollar-for-dollar match. Matching funds are in the form of financial support from municipalities (also from Community Development Block Grant funds), or other housing rehabilitation or weatherization grants, and of labor from SHORE UP's Weatherization Assistance Program. Volunteer labor and material donations will also help leverage grant funds.

(viii) The geographical area(s) to be served by the HPG program.

SHORE UP! Inc. services the Tri-County area of the Lower Eastern Shore. and is the designated Community Action Agency for the Tri-County area. The Geographical area(s) to be served by the HPG program. 1944.676 (b) (b) (viii) consist of Somerset, Wicomico and Worcester counties. These counties are considered rural, except for parts of Salisbury, MD, located in Wicomico County.

(ix) The annual estimated budget for the program period is based on the financial needs to accomplish the objectives outlined our response to this funding proposal. The budget includes proposed direct and indirect administrative costs; such as personnel, fringe benefits, travel, equipment, supplies, contracts, and other cost categories, detailing those costs for which the grantee proposes to use the HPG grant separately from non-HPG resources, if any. The applicant budget should also include a schedule (with amounts) of how the applicant proposes to draw HPG grant funds, i.e., monthly, quarterly, lump sum for program activities, etc.

See SF424A.

(x) A copy of an indirect cost proposal when the applicant has another source of Federal funding in addition to the Rural Development HPG program.

See Attachments for our most recent approved Indirect Cost Rate.

(xi) A brief description of the accounting system to be used.

SHORE UP Inc. uses Grant Management Systems (GMS) for our accounting software. Basic components of our accounting system include:

Checking Account:

- A central checking account will be used.
- The checking account is reconciled monthly.
- Two authorizing signatures on all checks (the Board Treasurer and the Executive Director).
- No checks are written or made payable to CASH.
- There is an invoice to back up all checks other than payroll related expenditures.
- All voided checks are retained on file.
- Only pre-numbered checks are used.

Deposits:

- All funds received are deposited intact daily.
- All deposit slips are maintained in an orderly fashion.

Cash Disbursements:

- A cash disbursement ledger is maintained monthly.
- A review of this ledger is made periodically to assure maximum accuracy and efficiency.
- All disbursements are recorded in the cash disbursement ledger.
- The disbursement ledger is totaled monthly and then yearly.
- Expenditure and revenue classifications are spelled out exactly such as: Utilities, Telephone, Equipment (Operating), Operating Supplies (Office Supplies), Repairs and Maintenance

Payroll Records:

- A separate payroll register is maintained indicating the gross salary, Federal and State withholding, FICA withholding, and net salary for each employee for each payroll period.
- The payroll register is set up to maximize accuracy and efficiency.
- The payroll register contains monthly and quarterly totals for each employee.
- The payroll register contains name, Social Security number, initiation date, and date of withdrawal from the program, for each employee.
- All Federal payroll tax forms (941) and state tax withholding forms are filed on time and accurately.

Invoices:

- An invoice is maintained on hand to document all expenses other than payroll related expenses. These invoices are available until the auditor has audited the period they cover. A canceled check may be proof of payment, but it is not proof that payment was either proper or entire, and the auditors may disallow undocumented expenses.
- Each invoice is marked paid and indicates the check number of the check used for its payment.
- All invoices are filed in an orderly fashion by month.
- Monthly Fiscal Reports are prepared for each project director and expenditures accrued in each category.
- Co-mingling of Project Funds with other funds is forbidden by Agency policy.

Audit:

- There is an Agency-wide audit yearly by an independent Certified Public Accountant.
- All audit examinations are made in accordance with accepted auditing standards and accordingly include tests of accounting records and other such auditing procedures as considered necessary in the circumstances.
- A final audit report is submitted to the grantee and grantor.

(xii) The method of evaluation to be used by the applicant to determine the effectiveness of its program which encompasses the requirements for quarterly reports to Rural Development in accordance with [7 CFR 1944.683\(b\)](#) and the monitoring plan for rental properties and cooperatives (when applicable) according to [7 CFR 1944.689](#);

A Project Progress Report (PPR) is completed at the end of each month. It assesses the outcomes of project objectives or milestones during that month, including quantifiable accomplishments; problems and concerns; administrative concerns; and plans for improvement. PPR's are developed by the Agency within 45 days of project initial operation. The PPR is completed by the Project Manager on a form developed specifically for the project that addresses each performance standard and submitted to the Office of Program Planning and Development for review, via the Office of Housing and Community Development. The Office of Program Planning and Development reviews the report, giving analysis and feedback, which is utilized by the project to continuously evaluate and assist the project to meet the project objectives.

Administrators meet with the Executive Director bimonthly to review the progress of their projects and programs. The monthly reports will be compiled to provide a quarterly progress report in accordance with [7CFR1944.683\(b\)](#). An annual Project Self-Evaluation or the Summative Evaluation, includes the following:

- Project Review Evaluation.
- Project Advisory Council Involvement Evaluation.

- Program Performance Evaluation Review (PPE).
- Compilation and analysis of client completion surveys.
- Success stories captured from program participants.
- On-Site Evaluation.

This self-reflective evaluation is conducted approximately six months after the program fiscal year begins. The annual Self-Evaluation forms follow Agency policies and procedures for all Agency operated projects. The project is examined from the point of view of staff, clients, advisory council, and administration so that the Agency can analyze how effective the program was for our clients and how the Agency can make improvements. These Annual Self Evaluation forms are reviewed and analyzed annually in the same way that the PPR is done monthly. Feedback and follow-up practices are provided to ensure project staff, advisory councils and Agency administration are knowledgeable about the findings. These updates promote effective community participation and effectiveness. Moreover, these updates are maximized to maintain timelines and record-keeping requirements necessary to meet Agency and funders performance goals. The Office of Program Planning and Development is responsible for documentation submissions and evaluation results,

Summative Evaluation is an annual process that measures the indicators of achievement, as determined during the planning process, have met performance standards. This evaluation is inclusive of the Board of Directors, Advisory Council, and SHORE UP! Inc. Staff.

Rural Development Monitoring & Quarterly Performance Reports will be compiled from the monthly PPR's as described in Section 1944.683(b) of RD Instructions 1944-N. An original and two copies of the report will be given to the RD State Office for Maryland by the 45th day after the end of each quarter (February 15th, May 15th, August 15th, and November 15th). The Program Manager will meet with the RD State Office shortly after to discuss the report, if asked.

(xiii) The source and estimated amount of other financial resources to be obtained and used by the applicant for both HPG activities and housing development and/or supporting activities.

SHORE UP! Inc. runs a broad range of human service programs. In past years, its annual funding has grown from \$6 million to over \$22 million dollars to serve approximately 11,000 families with over 12,500 persons. The funding is diversified and includes federal grants, state grants, county grants, foundation grants, United Way grants, and donations. The Agency is a past HPG grantee and demonstrates that it meets all the project selection criteria. Participants are screened and encouraged to take advantage of other supportive programs that include energy assistance, Head Start and Early Head Start, housing counseling and free tax preparation. Referrals are also made to partnering agencies such as the Department of Social Services and the Department of Housing and Community Development.

(xiv) The use of program income; if any, and the tracking system used for

monitoring same.

No program income is anticipated in association with our Housing Preservation Grant Program.

(xv) The applicant's plan for disposition of any security instruments held by them as a result of its HPG activities in the event of its loss of legal status.

If a lien is imposed by the state as a result of the work completed on a home, SHORE UP Inc will maintain and monitor all security instruments, including mortgages, deeds of trust, lines, or other instruments executed in connection with Housing Preservation Grant activities, in accordance with applicable HPG requirements and the terms of the individual assistance agreements.

Security instruments will remain in effect or the required affordability and/or compliance period to ensure that the HPG investment is protected and that the assisted property continues to meet program requirements. SHORE UP Inc. will maintain appropriate records of all security instruments and will monitor the properties for compliance during the applicable period.

Upon expiration of the required period and satisfaction of all applicable HPG requirements, SHORE UP Inc will take the appropriate action to release or otherwise dispose of the security instrument in accordance with program regulations, the assistance agreement, and applicable State and local requirements.

If the property is sold, transferred, refinanced, or otherwise becomes subject to an event requiring repayment or other disposition of the HPG investment, SHORE UP Inc. will administer the security instrument in accordance with the applicable HPG requirements and will take appropriate action to protect and recover the Federal investment, when required.

All proceeds recovered, if any, will be handled in accordance with applicable HPG regulations and USDA requirements.

If no lien is placed as a result of work done through the HPG program, no security instruments will be held as a result of the proposed HPG activities.

(xvi) Any other information necessary to explain the proposed HPG program.

(xvii) The outreach efforts outlined in [7 CFR 1944.671\(b\)](#).

Outreach Efforts will include but will not be limited to the following:

- Partnering with local community organizations.
- Advertisements (paid and free) in local newspapers and other media.
- Nondiscrimination slogans.
- Maintaining files of all contacts and advertisements.
- Social media

Our outreach efforts will cover the Tri-County area to ensure that the HPG program is made equally accessible to the community we serve. The program's availability will be advertised through the Agency's well-established information network system inclusive of publication in the area newspapers, social media, television and radio Public Service Announcements, flyers for Agency clients, CDBG offices, etc. SHORE UP! Inc intake sites are in each county. Many of the customers who need this service have already been identified through SHORE UP! Inc. Weatherization, Energy Assistance, Housing, and other projects. Customers may be referred to us through CDBG offices that serve the area and with whom we liaison continuously.