A G E N D A

CITY OF SEASIDE
COMMUNITY DEVELOPMENT
ADVISORY COMMITTEE

REGULAR MEETING
OLDEMEYER CENTER
986 Hilby Avenue
Wednesday, November 16, 2016
6:30 PM

PLEASE TURN OFF YOUR CELL PHONES UPON ENTERING THE MEETING

1. **CALL TO ORDER**

2. **ROLL CALL (CDAC)**
   Sue Hawthorne
   John Francis
   Sharrline Napoleon
   Jessica Piombo
   Rebecca Pieken
   Clementine Bonner-Kline

   COMMUNITY DEVELOPMENT ADVISORY COMMITTEE

3. **PUBLIC COMMENT**

4. **APPROVAL OF MINUTES**

5. **OLD BUSINESS**

6. **NEW BUSINESS**

A. Report on subrecipient monitoring visits conducted in September and October 2016.

PURPOSE: The purpose of this item is for the CDAC to receive the results of subrecipient monitoring for fiscal year 2015-2016 for the Food Bank, Meals on Wheels of the Monterey Peninsula, Girls, Inc. and Community Human Services.

The US Department of Housing and Urban Development (HUD) issued an Integrity Bulletin this summer regarding this important part of the policies and procedures of the CDBG program.

All subrecipients monitored were found to be making diligent efforts to comply with applicable federal requirements and achieving program goals and measurements. No findings or concerns were noted regarding the use of CDBG funds.

RECOMMENDATION: It is recommended that the CDAC receive the report.

B. Report on First Quarter FY 2016-2017 Subrecipient activities.

PURPOSE: The purpose of this item is for the CDAC to receive a report on FY 2016-2017 First Quarter reporting by the subrecipients and the status of their activities.

RECOMMENDATION: It is recommended that the CDAC receive the report.

C. Discuss possible Mid-Year CDBG funding re-allocation.

PURPOSE: The purpose of this item is to discuss the possibility of adjustment of funding allocations for the 2016-2017 fiscal year. Since all projects and subrecipient activities are proceeding on schedule, there is no need to make an allocation adjustment at this time.

RECOMMENDATION: It is recommended that the CDAC take no action regarding the reallocation of CDBG funds for FY 2016-2017 at this time.

D. Review CDAC long range calendar and make changes as necessary.

PURPOSE: The purpose of this item is to review the CDAC long range calendar and consider making changes, if necessary.

RECOMMENDATION: It is recommended the CDAC review the long range calendar and make changes, if needed.

7. REPORTS FROM COMMITTEE MEMBERS

8. REPORTS BY STAFF

9. ADJOURNMENT

Next Regularly Scheduled Meeting:
December 21, 2016
6:30 PM

The City of Seaside is an ADA accessible facility and is committed to include the disabled in all of its services, programs and activities. Any person who requires accommodation to be able to participate in this meeting is asked to contact the office of the City Clerk at 899-6707, no fewer than two business days prior to the meeting to allow for reasonable arrangements.

The City Council Chambers is equipped with a portable microphone for anyone unable to come to the podium. Assisted listening devices are also available.

Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Meetings are also available through live streaming at: http://cvp.telvue.com/player?id=T01629&video=52314&noplaylistskin=1&width=400&height=300 Videos of past meetings are available on demand through the City's website: http://www.ci.seaside.ca.us

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

CITY OF SEASIDE
440 Harcourt Avenue
Seaside, CA 93955
Telephone (831) 899-6825
FAX (831) 899-6211

September 15, 2016

Ms. Melissa Kendrick
Executive Director
Food Bank of Monterey County, Inc.
815 West Market Street, #5
Salinas, CA 93901

RE: Monitoring of Food Bank of Monterey County Inc.'s CDBG Activities for FY 2015–2016

Dear Ms. Kendrick:

On September 8, 2016, Rosa Camacho-Chavez, consultant for the City of Seaside, and I monitored the Food Bank of Monterey County Inc.'s CDBG activities. The Food Bank of Monterey County Inc. is a 2015-16 City subrecipient and carried out one CDBG-funded program: Emergency Food Assistance Program. The program provided free nutritious staple foods to low and moderate income residents in Seaside. The CDBG funds provided operational support for the program.

The period under review spanned July 1, 2015, to June 30, 2016. In addition to examining relevant files in the course of the review, the consultant and I met with Programs Manager Kathy Montero, Director of Accounting, Finance & Human Resources Lyall McKeever, Accounting Coordinator Mu Skow, and you. An exit conference was held with your staff following the visit to discuss the results of the monitoring.

The purpose of a monitoring visit is to determine whether the subrecipient has implemented and administered CDBG-funded activities according to applicable federal requirements. In this review, particular attention was paid to compliance with eligibility and National Objective requirements. Other areas emphasized were financial management systems, procurement practices, compliance with civil rights requirements, and use of program income.

Overall, we found that the Food Bank of Monterey County Inc.is making diligent efforts to comply with applicable federal requirements and achieving its program goals and measurements.

As a result of this most recent review, we have no findings and/or concerns regarding the use of CDBG funds. A *finding* is defined as a program element that does not comply with a federal statute or regulation, whereas a *concern* is either a potential finding or a program weakness that should be improved to avoid future problems.

We should add that we greatly appreciate finding the program files organized in an orderly manner, and we commend your staff's dedication to ensuring the success of the referenced program. Also, as previously mentioned, we saw ample evidence of proper activity delivery by the Food Bank of Monterey County Inc. over the last year in the operations of its CDBG-funded program.

We also appreciated your staff's continued assistance throughout the monitoring visit, and we hope to have the opportunity to work with the Food Bank of Monterey County Inc. in the future.

If you have any questions, please do not hesitate to contact me at (831) 899-6734 or at smikesell@ci.seaside.ca.us.

Sincerely,

Sharon Mikesell

Sharon Mikesell
Administrative Analyst

CITY OF SEASIDE
440 Harcourt Avenue
Seaside, CA 93955
Telephone (831) 899-6825
FAX (831) 899-6211

September 26, 2016

Ms. Robin McCrae
Chief Executive Officer
Community Human Services
P.O Box 3076
Monterey, CA 93942

RE: Monitoring of Community Human Services' CDBG Activities for FY 2015–2016

Dear Ms. McCrae:

On September 23, 2016, Rosa Camacho-Chavez, consultant for the City of Seaside, and I monitored Community Human Services' CDBG activities. Community Human Services is a 2015-16 City subrecipient and carried out one CDBG-funded project: Genesis House Improvements. The CDBG funding was specifically used for asphalt paving improvements at the facility. Genesis House is a state-licensed, residential substance abuse treatment program for adults 18 years of age and older.

The period under review spanned July 1, 2015, to June 30, 2016. In addition to examining relevant files in the course of the review, the consultant and I met with Development Director Rob Rapp and you. An exit conference was held with Rob Rapp following the visit to discuss the results of the monitoring.

The purpose of a monitoring visit is to determine whether the subrecipient has implemented and administered CDBG-funded activities according to applicable federal requirements. In this review, particular attention was paid to compliance with eligibility and National Objective requirements. Other areas emphasized were financial management systems, procurement practices, compliance with civil rights requirements, and use of program income.

Overall, we found that Community Human Services is making diligent efforts to comply with applicable federal requirements and achieving its project goals and measurements.

As a result of this most recent review, we have no findings and/or concerns regarding the use of CDBG funds. A *finding* is defined as a program element that does not comply with a federal statute or regulation, whereas a *concern* is either a potential finding or a program weakness that should be improved to avoid future problems.

We should add that we greatly appreciate finding the project files organized in an extraordinary and orderly manner, and we commend your staff's dedication to ensuring the success of the referenced project. Also, as previously mentioned, we saw ample evidence of proper activity delivery by Community Human Services over the last year in the completion of its CDBG-funded project.

We also appreciated your staff's continued assistance throughout the monitoring visit.

If you have any questions, please do not hesitate to contact me at (831) 899-6734 or at smikesell@ci.seaside.ca.us.

Sincerely,

Sharon Mikesell

Sharon Mikesell
Administrative Analyst

CITY OF SEASIDE
440 Harcourt Avenue
Seaside, CA 93955

Telephone (831) 899-6825
FAX (831) 899-6211

October 7, 2016

Ms. Patricia Fernandez-Torres
Executive Director
Girls Incorporated of the Central Coast
318 Cayuga Street, Ste. 101A
Salinas, CA 93901

RE: Monitoring of Girls Inc. of the Central Coast's CDBG Activities for FY 2015–2016

Dear Ms. Fernandez-Torres:

On October 3, 2016, Rosa Camacho-Chavez, consultant for the City of Seaside, and I monitored Girls Inc.'s CDBG activities. Girls Incorporated of the Central Coast is a 2015-16 City subrecipient and carried out one CDBG-funded program: After School Leadership Mentoring Program. The program provides workshop and learning experiences for girls ages 8-18 in the community. The program focuses on leadership development, goal setting, decision-making, avoiding risky behaviors, and developing resiliency skills. CDBG funds were used to fund salaries of the persons who implemented the program.

The period under review spanned July 1, 2015, to June 30, 2016. In addition to examining relevant files in the course of the review, the consultant and I met with Office Manager, Marina Guzman and you. An exit conference was held with both as well following the visit to discuss the results of the monitoring.

The purpose of a monitoring visit is to determine whether the subrecipient has implemented and administered CDBG-funded activities according to applicable federal requirements. In this review, particular attention was paid to compliance with eligibility and National Objective requirements. Other areas emphasized were financial management systems, procurement practices, compliance with civil rights requirements, and use of program income.

Overall, we found that Girls Incorporated of the Central Coast is making diligent efforts to comply with applicable federal requirements and achieving its program goals and measurements.

As a result of this most recent review, we have no findings and/or concerns regarding the use of CDBG funds. A *finding* is defined as a program element that does not comply with a federal statute or regulation, whereas a *concern* is either a potential finding or a program weakness that should be improved to avoid future problems.

We should add that we greatly appreciate finding the program files organized in an orderly manner, and we commend your staff's dedication to ensuring the success of the referenced program. Also, as previously mentioned, we saw ample evidence of proper activity delivery by Girls Incorporated of the Central Coast over the last year in the operations of its CDBG-funded program.

We also appreciated your continued assistance throughout the monitoring visit.

If you have any questions, please do not hesitate to contact me at (831) 899-6734 or at smikesell@ci.seaside.ca.us.

Sincerely,

Sharon Mikesell

Sharon Mikesell
Administrative Analyst

CITY OF SEASIDE
440 Harcourt Avenue
Seaside, CA 93955
Telephone (831) 899-6825
FAX (831) 899-6211

September 23, 2016

Ms. Viveca Lohr
Executive Director
Meals on Wheels of the Monterey Peninsula, Inc.
700 Jewell Avenue
Pacific Grove, CA 93950

RE: Monitoring of Meals on Wheels of the Monterey Peninsula Inc.'s CDBG Activities for FY 2015–2016

Dear Ms. Lohr:

On September 22, 2016, Rosa Camacho-Chavez, consultant for the City of Seaside, and I monitored Meals on Wheels of the Monterey Peninsula Inc.'s CDBG activities. Meals on Wheels of the Monterey Peninsula Inc. is a 2015-16 City subrecipient and carried out one CDBG-funded program: Home Delivered Meals Program. The program distributed 2.5 meals per day, five days a week, with an extra meal on Friday for the weekend to frail, elderly, and disabled home-bound low-income adults in Seaside. CDBG funds were used to fund food costs for clients who participated in the program.

The period under review spanned July 1, 2015, to June 30, 2016. In addition to examining relevant files in the course of the review, the consultant and I met with Development Director, Marketing and Pub. Editor Christine Capen-Frederick and you. An exit conference was held with both as well following the visit to discuss the results of the monitoring.

The purpose of a monitoring visit is to determine whether the subrecipient has implemented and administered CDBG-funded activities according to applicable federal requirements. In this review, particular attention was paid to compliance with eligibility and National Objective requirements. Other areas emphasized were financial management systems, procurement practices, compliance with civil rights requirements, and use of program income.

Overall, we found that Meals on Wheels of the Monterey Peninsula Inc.is making diligent efforts to comply with applicable federal requirements and achieving its program goals and measurements.

As a result of this most recent review, we have no findings and/or concerns regarding the use of CDBG funds. A *finding* is defined as a program element that does not comply with a federal statute or regulation, whereas a *concern* is either a potential finding or a program weakness that should be improved to avoid future problems.

We should add that we greatly appreciate finding the program files organized in an orderly manner, and we commend your staff's dedication to ensuring the success of the referenced program. Also, as previously mentioned, we saw ample evidence of proper activity delivery by Meals on Wheels of the Monterey Peninsula Inc. over the last year in the operations of its CDBG-funded program.

We also appreciated your staff's continued assistance throughout the monitoring visit, and we hope to have the opportunity to work with Meals on Wheels of the Monterey Peninsula Inc. in the near future.

If you have any questions, please do not hesitate to contact me at (831) 899-6734 or at smikesell@ci.seaside.ca.us.

Sincerely,

Sharon Mikesell

Sharon Mikesell
Administrative Analyst

Integrity Bulletin
U.S. Department of Housing and Urban Development
Office of Inspector General
Summer 2016

Subrecipient Oversight and Monitoring – A Roadmap for Improved Results

This bulletin highlights the importance of effective subrecipient management and oversight by grantees receiving funds from the U.S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD). On December 26, 2013, the Office of Management and Budget issued revised guidance under 2 CFR (Code of Federal Regulations) Part 200. The result was consolidation of and changes to government-wide uniform administrative requirements, cost principles, and audit requirements for Federal awards. These changes emphasized a grantee's responsibility to manage and monitor its subrecipients, including monitoring a subrecipient's performance and compliance with applicable laws and regulations, as well as taking appropriate action when performance and compliance issues arise. This bulletin provides key tips for improving effective oversight of subrecipients.

2 CFR 200.93 defines a subrecipient as a non-federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.

The Importance of Monitoring

The American public wants accountability from government and assurance that Federal funds are spent effectively to accomplish their intended purpose. For CPD programs, grantee oversight of subrecipients is a critical place "where the rubber meets the road." It is where results are attained and funds are safeguarded. Under 2 CFR Part 200, grantee monitoring of subrecipient activities is required to ensure that (1) subawards are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and (2) subaward performance goals are achieved. When no monitoring or insufficient monitoring occurs, the grantee may risk losing HUD funding. Regulations at 2 CFR Part 200 require grantees to establish and maintain effective internal controls for themselves and ensure that their subrecipients do the same. One way a grantee can develop internal controls is by designing an effective monitoring process.

Step 1 – Build Monitoring Into Your Work Plan

Effective subrecipient oversight includes building a monitoring strategy into a grantee's annual work plan. The purpose of a monitoring strategy is to define the scope and focus of a grantee's monitoring efforts, including establishing a framework for determining the appropriate level of monitoring for subrecipients based on the resources available. A grantee's work plan should include time to conduct a risk analysis on each subrecipient as well as where and when the grantee will apply staff and travel resources for monitoring, training, or technical assistance of its subrecipients.

Step 2 – Assess Your Subrecipients

> **Tip:** A key first step is to verify that the subrecipient is not on the suspension and debarment list before making a subaward. This step is often missed.

The new rules under 2 CFR 200.331(b) require that grantees assess their subrecipients' capacity to be successful. This is done by annually conducting a risk assessment on each subrecipient. A risk assessment provides the information needed to prioritize your administrative resources to subrecipients that pose the greatest risk to the integrity of CPD programs. This process includes identifying the subrecipients to be monitored (either onsite or remotely), the program areas to be covered, and the depth of the monitoring review. The selection process should result in identifying those subrecipients and activities that represent the greatest vulnerability to fraud, waste, mismanagement, or lack of capacity.

There are several resources (listed at the end of this document) available to assist in developing a risk assessment. In determining which format is best for your organization, make sure the following factors are covered:

1. What is their prior experience?
2. Were prior audits conducted?
3. Were prior audit findings resolved?
4. Does the subrecipient have the capability to comply with Federal rules?
5. Have financial systems changed?
6. Did prior monitoring identify problems?
7. Were past awards large or complex?
8. Is the funded activity prone to problems?
9. Does the award present potential conflicts of interest?
10. Has there been turnover of key personnel?

When conducting a risk assessment, use all information available, including news items or citizen complaints, to identify problems areas. Some activities have higher levels of risk than others and warrant additional attention. Activities that are riskier than others include rehabilitation projects involving lump-sum drawdowns; economic development activities that assist for-profit businesses; assistance to small or newly formed nonprofits that may struggle with implementing internal controls; and subrecipients not previously monitored, especially when they lack previous CPD program experience.

Be sure to document your risk assessments and show how they affected your risk plan and monitoring schedule. After completing this analysis for each subrecipient, compile a written monitoring schedule, identifying which grantees will be monitored, the method of monitoring (onsite or remote), programs and areas to be monitored, the type of monitoring (in-depth or limited), areas of technical assistance and training needed, resources needed, and projected timeframes. If adjustments are required in the middle of the program year, be sure to document those changes as well.

Step 3 – Create Your Monitoring Strategy

Keep notes on what factors contributed to the selection of each subrecipient as you go through the 10 questions above and additional factors you add to your own checklist or spreadsheet. A best practice is to rate recipients by a high-, medium-, and low-risk designation for each area reviewed and then give an overall rating. Once you have the ratings for all subrecipients, you can determine how best to monitor them and provide needed technical assistance and training. Your monitoring strategy should include a schedule for the frequency and types of monitoring (desk review or onsite) based on your resources, subrecipient risks, and number of subrecipients and distance from them. A schedule should also be written and approved by managers that specifies how each subrecipient will be monitored, when, and by whom on the staff. Any adjustments to the risk rating or monitoring schedule should be noted. Office of Inspector General (OIG) audits frequently find that grantees fail to conduct onsite monitoring visits or follow the schedules they have set. Be sure to commit the resources needed to accomplish monitoring as planned.

Develop a checklist for your lower risk subrecipients that can be used in a desk review and create individual onsite checklists for the higher risk subrecipients based on the risks identified in their assessments. At the end of this bulletin, several resources are listed that contain sample checklists for various CPD programs and compliance requirements. As a practical matter, you cannot complete all checklists for all subrecipients, which is why the results of the assessments should be used to tailor your monitoring approach. Choose the checklists that would be most useful in covering the weaknesses identified. You may also choose which questions on a particular checklist to use if some questions don't apply or if you have reason to believe the subrecipient will perform adequately in the areas covered by the questions. A best practice is to put a note next to the questions on why you are omitting them.

A. Conduct Remote Monitoring

Remote monitoring can be an appropriate tool for monitoring lower risk subrecipients. This practice, also known as a desk review, is a good way for grantees and subrecipients to share information on program updates, changes to policies, and other information that impacts the activity. A good technique is for the grantee to ask narrative, open-ended questions about how the activity is going and whether the sub-recipient is encountering any obstacles or difficulties. The focus of such a review should be on determining whether major operational changes have occurred since the last review. In addition to the desk review of submitted reports, conduct telephone interviews and determine whether the initial risk assessment score is correct or additional monitoring is needed. Note that for CPD programs, guidance for HUD staff conducting monitoring, including remote monitoring, is found in the CPD Monitoring Handbook, which grantees may also refer to in designing their monitoring checklists and procedures.

B. Conduct a Site Review

An onsite review should be conducted for subrecipients that score higher on the risk assessment or have not had a site visit in some time (2 CFR 200.331(d) and (e)). Make sure that your staff has updated checklists (see note above) and understands them in advance. A best practice is to develop a customized comprehensive checklist before the site visit based on factors identified during the risk assessment. This practice will allow staff to focus on the most important and riskiest areas to review. Encourage staff to ask questions and not have the review become a mechanical series of checkoffs. One way to avoid this problem is to build into the checklist an area to take notes, attach copies (or photos) of what was examined, and document the resulting analysis. Another person analyzing the checklist should be able to determine what was reviewed and how it supports the determinations made.

Example of Insufficient Monitoring
City officials did not perform adequate onsite monitoring of all of a city's Community Development Block Grant (CDBG) subrecipients and did not have adequate procedures in place to effectively track the status of subrecipient monitoring and any related findings. While the city's 2013 and 2014 annual action plans stated that the city would monitor each subrecipient receiving Federal funds and conduct onsite visits to each subrecipient annually, the city's records showed that it did not adequately monitor 19 of its 41 subrecipients. For example, 13 of the 35 subrecipients were not included on the city's monitoring status tracking documents, and city officials informed auditors that the city had not monitored 6 of its subrecipients during the past few program years.

Step 4 – Document the Site Review and Issue a Monitoring Report

A. Documentation

Documentation is key to a monitoring review, demonstrating whether adequate subrecipient oversight is provided. While on site, keep notes about the items reviewed, activities physically inspected, and items unsupported by receipts or ineligible expenditures. Make copies of documentation that supports the review and any findings. Organize the files for easy retrieval. (Reference U.S. Government Accountability Office (GAO) Green Book, OV4.08, for additional guidance.)

B. Reporting

Once an onsite monitoring review has been completed, grantees should provide a timely written report to the subrecipient (2 CFR 200.328(d)). The report should summarize the review, document performance, and identify issues. It should identify delays or adverse conditions that will materially impair the subrecipient's ability to meet the objective of the Federal award. These shortcomings must be tied to specific program requirements to be sustainable if questioned by the subrecipient. To the extent necessary, the report should include any corrective actions the subrecipient must take as well as the required deadlines for the subrecipient's response and completion of the corrective actions.

Example of Insufficient Documentation
A State onsite monitoring review of a regional commission (subrecipient) was not adequately supported and a later audit of the State could not find any evidence that the State reviewed the commission's documentation of grant expenditures. The State awarded CDBG Disaster Recovery funding to this subrecipient to administer its buyout program. The State did not maintain documentation to support the details of the review, including checklists, notes, write-ups, or other documentation supporting its monitoring work or activities. The State should have discussed documentation requirements with the subrecipient at the time of the award or caught the problem in onsite reviews. Ultimately, with no documentation by the commission, HUD could not confirm that all procedures were followed and that costs were eligible.

Step 5 - Follow up with Subrecipients

A. Corrective Actions

After issuing a monitoring report, grantees must follow up with the subrecipient until all corrective actions are completed. Corrective action plans should include:

1. A description of each finding and recommendation.
2. Specific steps to be taken to implement the recommendation.
3. A timetable for performance of each corrective action.
4. A description of future monitoring to be performed to ensure implementation.

If subrecipients fail to correct problems, you should consider what sanctions are appropriate as listed in 2 CFR 200.338 to .342. The purpose of monitoring is to ensure that the results are used to achieve compliance and performance expectations. Enforcing regulatory sanctions helps ensure that appropriate actions are taken to protect taxpayers and the program as a whole. If audited by OIG or GAO, you, the grantee, could be left footing the bill for uncorrected problems.

Example of Insufficient Follow-up

There was no evidence that a State maintained documentation to confirm how findings from an onsite monitoring review of a subrecipient were resolved. The State requested a response from the subrecipient on how these findings were resolved but received no reply. There was no evidence that the State followed up to ensure how or whether the deficiencies noted were corrected or took action to require the subrecipient to do so. The State should have maintained a tickler file and pursued further efforts to obtain corrective action after the target date passed.

Summary

Subrecipients play a significant role in the effective implementation of many programs administered by CPD. To ensure that Federal funds awarded achieve their intended purposes, it is important for grantees to competently oversee the process from the award stage through closeout. Establishing comprehensive policies and procedures that incorporate the provisions of 2 CFR Part 200 as well as program-specific requirements is one of the keys to that oversight process. The second key is a strong and effective monitoring method that checks for compliance, rapidly addresses performance shortcomings, and provides a basis for compliance actions when warranted. Both OIG and CPD staff members are available to assist grantees in undertaking these important efforts, and we urge grantees to seek advice and guidance that will enhance subrecipients' use of Federal funds.

Resources Available

- Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight: https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_17086.pdf
- Playing by the Rules: A Handbook for CDBG Subrecipients on Administrative Systems: https://www.hudexchange.info/resource/687/playing-by-the-rules-a-handbook-for-cdbg-subrecipients-on-administrative-systems/
- CPD's Monitoring Handbook: 6509.2, REV-6, CHG-2
- Suspension and Debarment listing: (http://portal.hud.gov/hudportal/HUD?src=/program_offices/enforcement/susdebar)

New rules at 2 CFR 200.113 require you to report if you have knowledge of possible fraud. Promptly report it to the HUD Office of Inspector General at https://www.hudoig.gov/report-fraud%20.

RESOURCE MANAGEMENT SERVICES
440 Harcourt Avenue Telephone (831) 899-6725
Seaside, California 93955 FAX (831) 899-6211

To: Community Development Advisory Committee Members

From: Rosa Camacho-Chavez, Michael Baker International

Cc: Sharon Mikesell

Date: November 16, 2016

Re: FY2016-2017 FIRST QUARTER REPORT

2016-17 USES OF FUNDS

Please find a summary budget below.

Total CDBG Budget	
Obligatory Expenditures (Section 108 Loan)	$304,427
Program Administration	$92,661
Public Service Program	$69,885
Eligible Projects	$128,722
Total Uses	$595,695

OBLIGATORY EXPENDITURES (SECTION 108 LOAN) – $304,427

In 1996, the City of Seaside applied for and received a Section 108 Loan Guarantee as part of a redevelopment project for the installation of public works improvements in the City Center Revitalization Area. The repayment of this loan is an eligible CDBG expense. Using CDBG funds to repay this loan alleviates an expense to the General Fund. This loan was re-financed in 2010. The current outstanding principal and interest balance is approximately $319,645. The loan will be paid off in 2017. In 2016, the payment will be $304,426.50; and the final payment in 2017 will be for $15,218.25.

PROGRAM ADMINISTRATION – $92,661

CDBG program administration funds will be used to plan, implement, and evaluate the CDBG program. Grant management activities may include, but are not limited to, federal reporting, budget oversight, subrecipient monitoring, policy development and writing, citizen and community outreach, and coordination and supplemental grant writing to enhance CDBG-funded activities. In plan year 2016–17, the City is retaining part-time contract staff to support the CDBG program. Expenditures for program income are capped at 20% of the annual entitlement plus plan year program income.

PUBLIC SERVICE PROGRAM– $69,885

All five public service organizations have submitted their first quarterly reports. They are all making progress on their programs. Of the $69,885 CDBG funds allocated for public services in 2016-17, $30,579.25 (44%) has been reimbursed to the organizations.

Organization	CDBG Funds	Persons to be served FY2016-17	Persons Served Q1	Funds Requested Q1
CPY	$16,177	15 + 400	26 + 466	$8,258.49
Girls Inc.	$9,177	65	25	$1,831.50
LSS	$16,177	180	73	$3,750.00
The Salvation Army	$15,177	40	63	
TVP	$13,177	27	45	$2,691.50
Total	**$69,885**	**727**	**698**	**$30,579.25**

ELIGIBLE PROJECTS – $128,722

For FY2016–17, the City of Seaside will complete the Boys and Girls Club of Monterey County Clubhouse Improvements project, the Community Human Services Genesis House improvements, and the Seaside Library ADA improvement.

Project Name	CDBG Funds	Funds Expended Q1	Accomplishments Q1
Boys & Girls Club of Monterey County: Seaside Clubhouse Improvements	$21,000	$0	Environmental review complete. Project in the bidding process.
Community Human Services; Genesis House Facility Improvement	$30,000	$0	Environmental review complete. Project in the bidding process.
Library ADA Improvements	$77,722	$0	Environmental review complete. Project in the bidding process.
Total	**$128,722**	**$0**	

CITY OF SEASIDE
Community Development Advisory Committee (CDAC)
Long Range Calendar
July 2016- – June 2017

July CDAC Meeting Discuss 2015-2016 CDBG Subrecipient Monitoring Schedule Fourth Quarter (Apr-Jun) and Annual Program Reports	July 20, 2016
Staff draft Consolidated Annual Performance & Evaluation Report (CAPER)	July and August
Notification of award and contract documents to sub recipients	July or August-upon HUD approval
August CDAC Meeting - CAPER preview	August 17, 2016
Annual Planning Notice & Notice of CAPER Publication - notice of community workshop	August 25, 2016
Draft CAPER publication	August 31, 2016
City Council public hearing	September 15, 2016
September CDAC Meeting and Community Workshop - Annual Community Needs Assessment Workshop - No CDBG application process this year	September 21, 2016
CAPER due to HUD (submitted September 19)	September 30, 2016
October CDAC Meeting - Annual Priority Needs - Update of Affirmatively Furthering Fair Housing/Countywide Collaboration efforts	October 19, 2016
SPECIAL EVENT-City Hall Celebration Special Recognition for Boards and Commissions 1:30 PM Council Chambers	October 22,2016
City Council - informational item to present the needs identified at the September workshop and discuss the annual process/two year cycle—DISCUSS POSSIBLE POSTPONEMENT OF THIS ITEM	November 3, 2016
November CDAC Meeting (no proposal workshop this year) - First Quarter Program Report (Jul-Sep) - Discuss Mid-year re-allocation if needed - Follow up to public service monitoring	November 16, 2016
December CDAC Meeting (if needed)	December 21, 2016
January CDAC Meeting - Discuss mid-year re-allocation (if needed) - Discuss City Project Proposals	January 18, 2017
February CDAC Meeting Second Quarter Program Report (October-December) Review of ranking of applications for 2017-2018 and City Project Proposals	February 15, 2017
Administrative draft Annual Action Plan to CDAC	March 10, 2017
March CDAC Meeting	March 15, 2017
Advertisement to run for Annual Action Plan/Public Hearing for AAP	March 30, 2017
Publish annual Action Plan for comment and open 30-day public comment period	April 4, 2017
April CDAC Meeting	April 19, 2017
City Council - present CDAC recommendations and annual Action Plan	April 20, 2017
City Council – public hearing - adopt annual Action Plan	May 4, 2017
Public comment period closes	May 4, 2017

Action plan due to HUD	May 15, 2017
May CDAC Meeting - Update on Annual Action Plan submitted to HUD 3rd Quarter sub recipient reports - Elections	May 17, 2017
Conditional notice of awards to Subrecipients	*May*
June CDAC Meeting - if needed	June 21, 2017