



A G E N D A

CITY OF SEASIDE
COMMUNITY DEVELOPMENT
ADVISORY COMMITTEE

REGULAR MEETING
Seaside Creates Office
656 Broadway Ave
Wednesday, July 17, 2019
6:30 PM

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PUBLIC COMMENT**
4. **APPROVAL OF MINUTES**
5. **OLD BUSINESS**
6. **NEW BUSINESS**

A. ELECTION OF OFFICERS FOR FY 2019-2020

RECOMMENDATION: The purpose of this item is to determine a Chair and Vice Chair for fiscal year 2019-2020. It is recommended that the CDAC elect officers at this time.

B. UPDATE THE CDAC ON HUD ECONOMIC AND DEMOGRAPHIC REPORTS

RECOMMENDATION: The purpose of this item is to update the CDAC on the data released by HUD regarding Seaside and to have the CDAC receive the report.

C. DISCUSS THE 2019-2020 YEAR AHEAD

RECOMMENDATION: The purpose of this item is to discuss ideas for the year ahead, including subrecipient monitoring efforts, current funding and updating the application process utilizing City Data Services data management.

7. **REVIEW LONG RANGE CALENDAR**

A. REVIEW THE LONG RANGE CALENDAR AND MAKE ADJUSTMENTS IF NEEDED

8. REPORTS FROM COMMITTEE MEMBERS

9. REPORTS BY STAFF

10. ADJOURNMENT

Next Regularly Scheduled Meeting:
August 21, 2019
6:30 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings. City Council 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. Live streamed meeting videos as well as videos of past meetings are available on the City's website at: <http://www.ci.seaside.ca.us/129/City-Council-Committee-Agendas>

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 STAFF REPORT

Item No.: 6.B.

TO: Community Development Advisory Committee

BY: Sharon Mikesell, Administrative Analyst

DATE: July 17, 2019

SUBJECT: UPDATE THE CDAC ON HUD ECONOMIC AND DEMOGRAPHIC REPORTS

PURPOSE & RECOMMENDATION

The purpose of this item is to update the CDAC on the data released by HUD regarding Seaside and to have the CDAC receive the report.

BACKGROUND

The Community Development Block Grant program requires that funding be utilized to benefit low/moderate income persons.

During May 2019, The US Department of Housing and Urban Development released data that will be helpful to help the CDAC determine priority areas for funding uses.

- All of Seaside has been determined a difficult development area
- Census tract 137 continues to be a Qualified Census Tract
- Many census tracts have been determined to have over 51% low/moderate residency

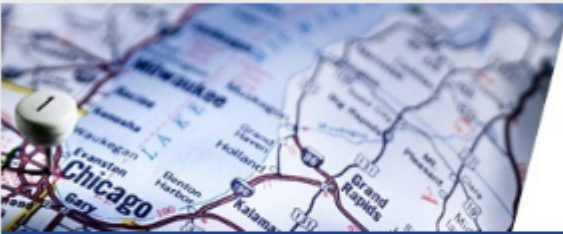
During July 2019, HUD released FY 2017 reports for all grantees accomplishments, expenditures and performance.

In March 2019, Seaside also received a report recapping the previous fiscal year.

The HUD reports are attached.

ATTACHMENTS

1. HUD DDA May 2019
 2. HUD map QCT May 2019
 3. Low Mod tracts per HUD May 2019
 4. CDBG_Expend_Granttee_SEAS-CA_2017 avail 7-19
 5. CDBG_Perform_Granttee_SEAS-CA_2017 avail 7-19
 6. CDBG_Accomp_Granttee_SEAS-CA2017 avail 7-19
 7. Performance Report for 2017
-



2018 and 2019 Small DDAs & QCTs

Seaside, CA

Go

Select a State

Select a County

Go

Map Options : Clear | Reset | Full Screen

QCT Legend:

Tract Outline

LIHTC Project

2019 Qualified Census Tracts

SADDA Legend (%):

FMR Boundary

SADDA Boundary

2019 Small DDA

[Click here for the overview](#)

Map Options

14 Current Zoom Level

☒ Show Difficult Development Areas (Zoom 7+)

☐ Color QCT Qualified Tracts (Zoom 7+)

☒ Show Tracts Outline (Zoom 11+)

☐ Show FMR Outlines (Zoom 4+)

☐ Show LIHTC Projects (Zoom 11+)

[Click here for full screen map](#)

Select Year

☒ 2019

☐ 2018

Map

Satellite





2018 and 2019 Small DDAs & QCTs

Seaside, CA

Map Options : [Clear](#) | [Reset](#) | [Full Screen](#)

QCT Legend: — Tract Outline ■ LIHTC Project ■ 2019 Qualified Census Tracts
SADDA Legend (%): — FMR Boundary — SADDA Boundary ■ 2019 Small DDA

[Click here for the overview](#)

Map Options

14 Current Zoom Level

☐ Show Difficult Development Areas (Zoom 7+)

☒ Color QCT Qualified Tracts (Zoom 7+)

☐ Show Tracts Outline (Zoom 11+)

☐ Show FMR Outlines (Zoom 4+)

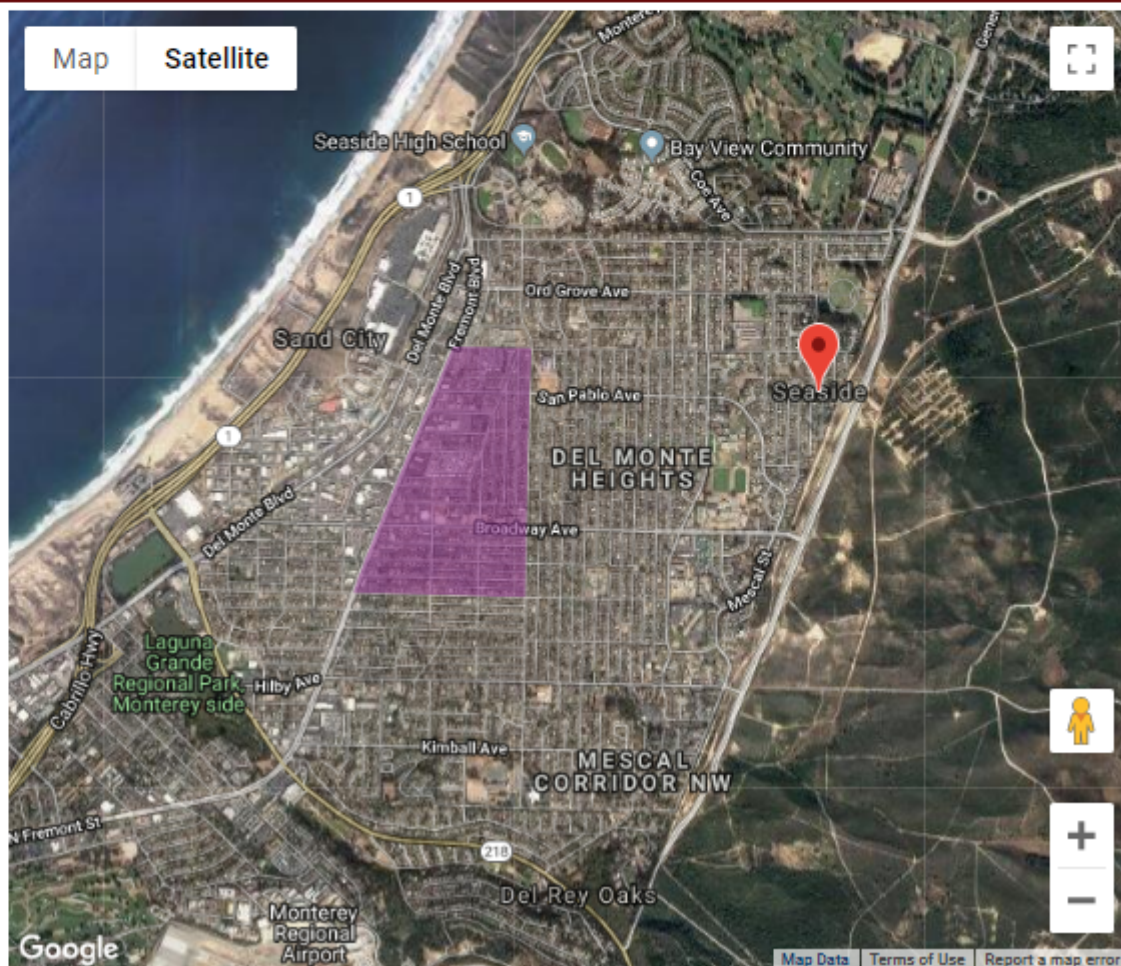
☐ Show LIHTC Projects (Zoom 11+)

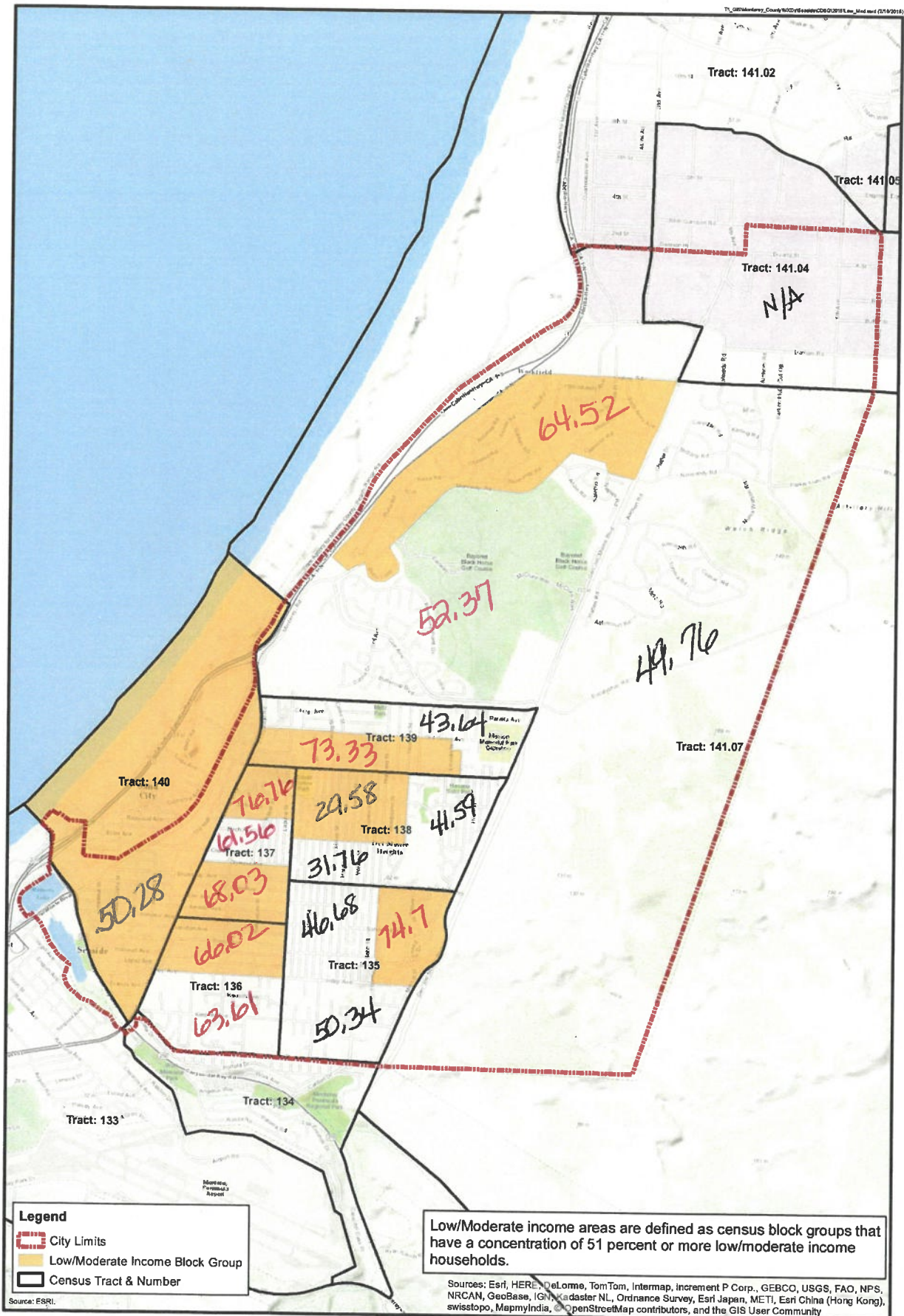
[Click here for full screen map](#)

Select Year

☒ 2019

☐ 2018





0 1,000 2,000
FEET

low/mod % in census tracts
Released 5/20/2019

Figure 6
Areas of Low and Moderate Income Concentration

PMC

HUD eligible -> over 51% L/M



Office of Community Planning and Development
U.S. Department of Housing and Urban Development
Integrated Disbursement and Information System

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Expenditure Report
Use of CDBG Funds by SEASIDE,CA
from 07-01-2017 to 06-30-2018

Matrix Code	Activity Group	Matrix Code Name	Disbursements	Percent of Total
14E	ED	Rehab; Publicly or Privately-Owned Commercial/Industrial	159,215.95	33.20%
Subtotal for : Economic Development			159,215.95	33.20 %
03D	PI	Youth Centers	42,102.00	8.78%
03E	PI	Neighborhood Facilities	79,886.64	16.66%
03F	PI	Parks, Recreational Facilities	8,262.24	1.72%
03P	PI	Health Facilities	43,757.00	9.12%
Subtotal for : Public Facilities and Improvements			174,007.88	36.28 %
03T	PS	Operating Costs of Homeless/AIDS Patients Programs	16,124.00	3.36%
05C	PS	Legal Services	17,125.50	3.57%
05D	PS	Youth Services	43,378.00	9.04%
Subtotal for : Public Services			76,627.50	15.98 %
21A	AP	General Program Administration	69,786.87	14.55%
Subtotal for : General Administration and Planning			69,786.87	14.55 %
Total Disbursements			479,638.20	100.00 %



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
CDBG Community Development Block Grant Performance Profile
PR54 - SEASIDE, CA
Program Year From 07-01-2017 To 06-30-2018

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Program Year 2017 Funds

2017 CDBG Allocation	\$363,989.00
Program Income Received During Program Year 2017	\$151,557.04
Funds Returned to Local Program Account During Program Year 2017	\$50,085.55
Total Available¹	\$565,631.59

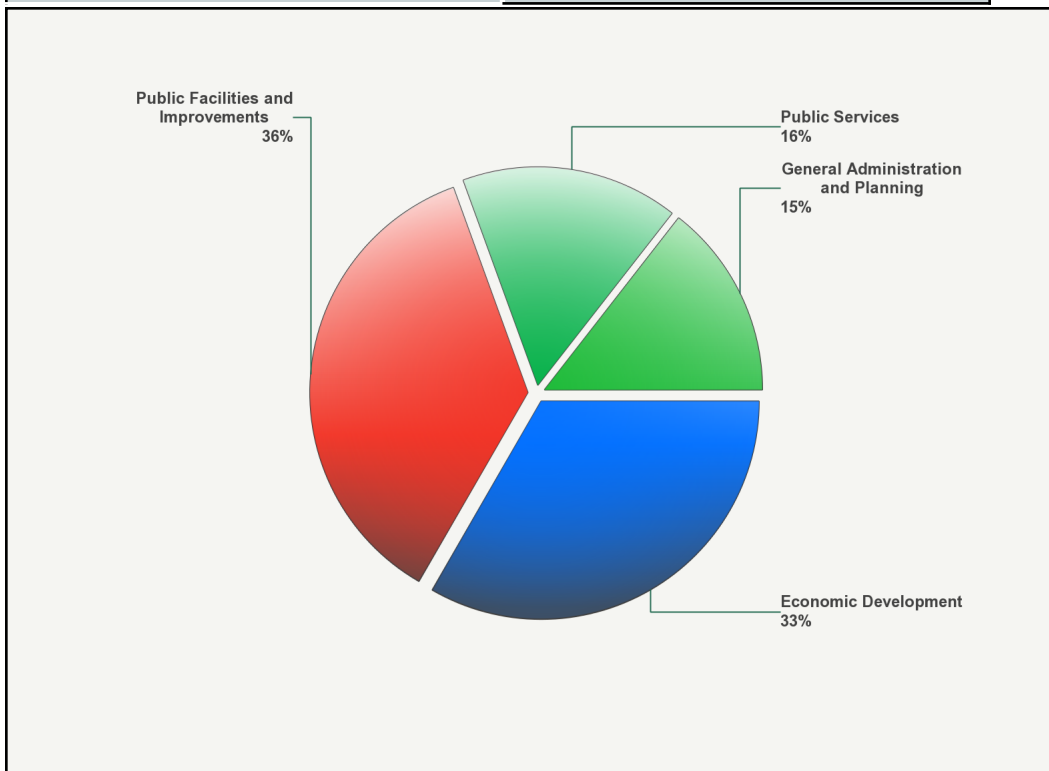
Expenditures²

Type of Activity	Expenditure	Percentage
Economic Development	\$159,215.95	33.20%
Public Facilities and Improvements	\$174,007.88	36.28%
Public Services	\$76,627.50	15.98%
General Administration and Planning	\$69,786.87	14.55%
Total	\$479,638.20	100.00%

Timeliness

Timeliness Ratio - unexpended funds as percent of 2017 allocation 0.82

Expenditures by Type of Activity (%) **Expenditures by Type of Activity (\$)**



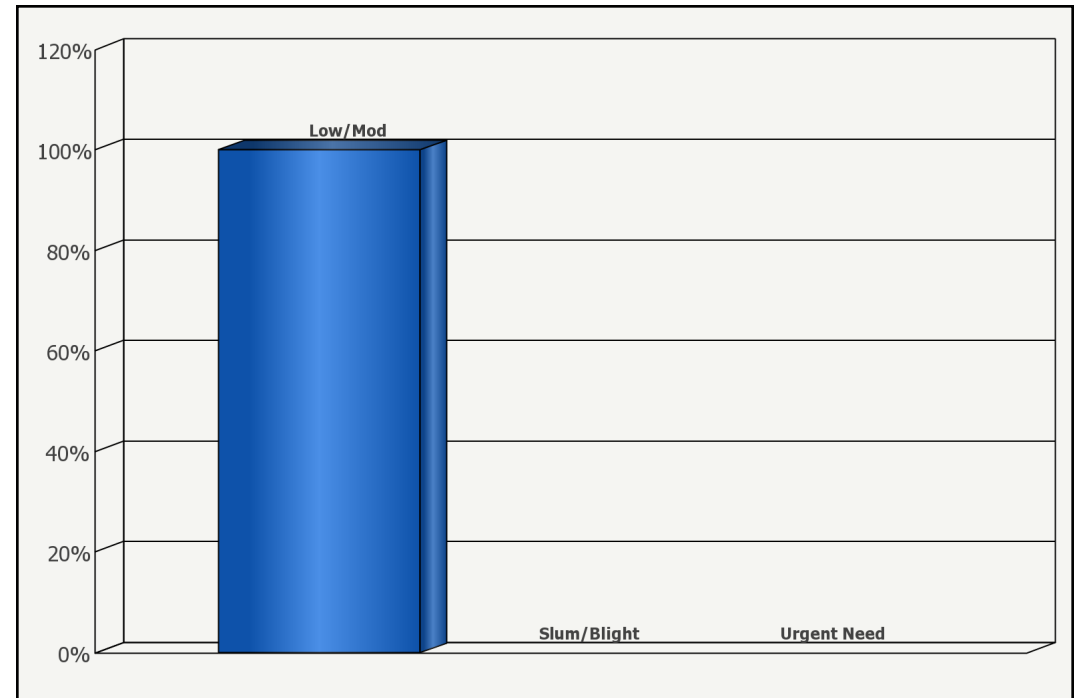


U.S. Department of Housing and Urban Development
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CDBG Community Development Block Grant Performance Profile
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Program Targeting

1 -Percentage of Expenditures Assisting Low- and Moderate-Income Persons and Households Either Directly or On an Area Basis ³	100.00%
2 -Percentage of Expenditures That Benefit Low/Mod Income Areas	0.00%
3 -Percentage of Expenditures That Aid in The Prevention or Elimination of Slum or Blight	0.00%
4 -Percentage of Expenditures Addressing Urgent Needs	0.00%
5 -Funds Expended in Neighborhood (Community For State) Revitalization Strategy Areas and by Community Development Financial Institution.	\$0.00
6 -Percentage of Funds Expended in Neighborhood (Community For State) Revitalization Strategy Areas and by Community Development Financial Institution	0.00%





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CDBG Community Development Block Grant Performance Profile
PR54 - SEASIDE, CA
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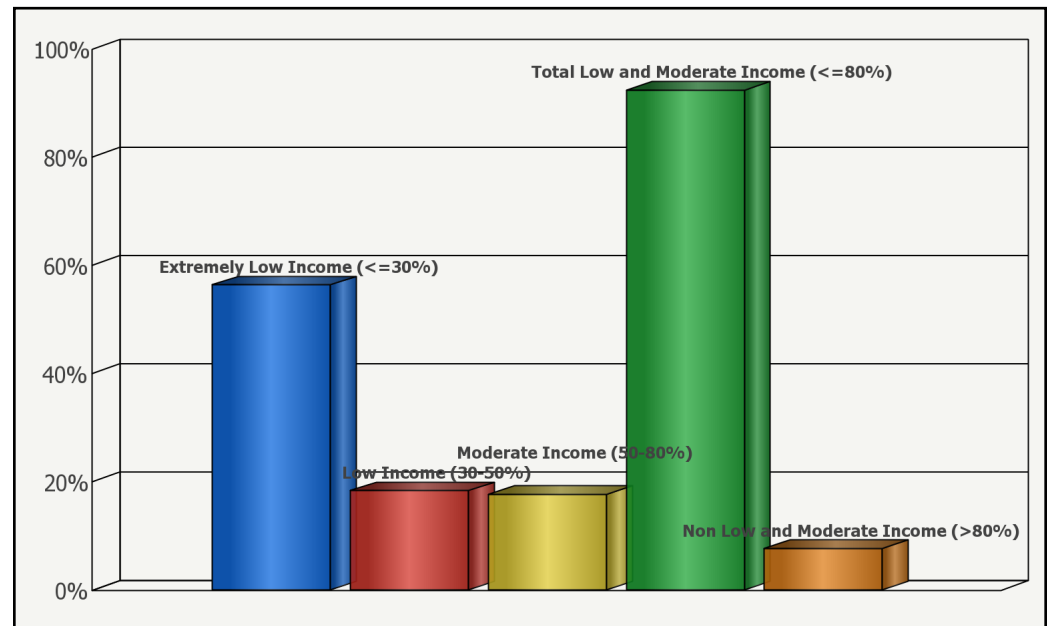
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CDBG Beneficiaries by Racial/Ethnic Category⁴

Race	Total	Hispanic
White	80.51%	96.48%
Black/African American	8.94%	0.39%
Asian	3.82%	0.08%
American Indian/Alaskan Native	0.60%	0.23%
Native Hawaiian/Other Pacific Islander	0.85%	0.00%
American Indian/Alaskan Native & White	0.25%	0.00%
Asian & White	0.10%	0.00%
Black/African American & White	0.60%	0.08%
Amer. Indian/Alaskan Native & Black/African Amer.	0.00%	0.00%
Other multi-racial	4.32%	2.74%
Asian/Pacific Islander (valid until 03-31-04)	0.00%	0.00%
Hispanic (valid until 03-31-04)	0.00%	0.00%

Income of CDBG Beneficiaries

Income Level	Percentage
Extremely Low Income (<=30%)	56.35%
Low Income (30-50%)	18.33%
Moderate Income (50-80%)	17.68%
Total Low and Moderate Income (<=80%)	92.37%
Non Low and Moderate Income (>80%)	7.63%





U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
CDBG Community Development Block Grant Performance Profile
PR54 - SEASIDE,CA
Program Year From 07-01-2017 To 06-30-2018

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Accomplishment	Number
Actual Jobs Created or Retained	0
Households Receiving Housing Assistance	0
Persons Assisted Directly, Primarily By Public Services and Public Facilities	1,991
Persons for Whom Services and Facilities were Available	0 ⁵
Units Rehabilitated-Single Units	0
Units Rehabilitated-Multi Unit Housing	0

Funds Leveraged for Activities Completed \$162,486.50

Notes

1 Also, additional funds may have been available from prior years.

2 The return of grant funds is not reflected in these expenditures.

3 Derived by dividing annual expenditures for low-and moderate-income activities by the total expenditures for all activities (excluding planning and administration, except when State planning activities have a national objective) during the program year.

4 For entitlement communities, these data are only for those activities that directly benefit low- and moderate-income persons or households. They do not include data for activities that provide assistance to low- and moderate-income persons on an area basis, activities that aid in the prevention and elimination of slums and blight, and activities that address urgent needs. For states, these data are reported for all activities that benefit low- and moderate-income persons or households, aid in the prevention and elimination of slums and blight, and address urgent needs.

5 This number represents the total number of persons/households for whom services/facilities were available for [in many cases] multiple area benefit activities as reported by grantees. A service or facility meeting the national objective of benefiting low- and moderate-income persons on an area basis is available to all residents of the area served by the activity. If one or more activities had the same or overlapping service areas, the number of persons served by each activity was used to calculate the total number served; e.g., if two activities providing different services had the same service area, the number of persons in the service area would be counted twice; once for each activity.



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System
SEASIDE, CA
PR 51- Selected CDBG Accomplishment Report
Program Year Between 07-01-2017 and 06-30-2018

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PUBLIC SERVICES

Matrix Code	Eligible Activity	Number of Persons Benefitting
03T	Operating Costs of Homeless/AIDS Patients Programs	105
05C	Legal Services	282
05D	Youth Services	653
Total Number of Persons Benefitting:		1,040

PUBLIC IMPROVEMENTS

Matrix Code	Eligible Activity	Number of Persons Benefitting
03D	Youth Centers	823
03P	Health Facilities	265
Total Number of Persons Benefitting:		1,088



COPY

U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
One Sansome Street, Suite 1200
San Francisco, California 94104
www.hud.gov

espanol.hud.gov

MAR 18 2019

The Honorable Ian Oglesby
Mayor of Seaside
440 Harcourt Ave
Seaside, CA 93955-4708

SUBJECT: Annual Performance Assessment
Community Development Block Grant (CDBG)
2017 Program Year: July 1, 2017 to June 30, 2018

Dear Mayor Oglesby:

The U.S. Department of Housing and Urban Development (HUD) Office of Community Planning and Development (CPD) assesses the performance of its grant recipients on an annual basis. This letter conveys the results of this evaluation for the 2017 program year.

A principal report utilized by CPD to assess performance is the Consolidated Annual Performance and Evaluation Report (CAPER), submitted by grant recipients within 90 days of the completion of each Program Year. The CAPER provides important information on the use of Community Development Block Grant (CDBG) funds in meeting specific housing and community development goals and addressing the needs of the homeless, as identified in the grantee's five-year Consolidated Plan and Annual Action Plan. Additionally, this performance assessment takes into consideration information collected from other financial and performance reports, correspondence, and monitoring reports.

Program year 2017 marked the third year of Seaside's 2015-2020 Consolidated Plan. Through the plan, the city established five-year goals to benefit its low- and moderate-income residents by supporting public services, particularly those for youth and seniors, improving public facilities, infrastructure, and accessibility for persons with disabilities, addressing blight and nuisance, and rehabilitating existing housing. In this third year of the Consolidated Plan, improvements to public facilities were the focus, with the city continuing to work on projects from the previous year, including the Community Human Services' Genesis House, the Boys & Girls Club of Monterey County's Seaside Clubhouse, and Seaside Library accessibility projects. As it has in previous years, Seaside continued to address the needs of youth, older adults, and persons who are homeless by funding a variety of non-profits as public services.

Based on this analysis, HUD has determined that the city of Seaside has the continuing capacity to administer the CDBG program. The activities undertaken are consistent with the Seaside HUD-approved Consolidated Plan, and the city continues to make progress in meeting its housing and community development goals.

In accordance with the Consolidated Plan regulations described at 24 CFR §91.525, if the city of Seaside has comments regarding this enclosed report please submit them to this office within 30 days of receipt of this letter. HUD may revise the report after considering the city's response. If HUD does not receive comments within the 30 day time period, this letter and enclosed report will be considered final and can be made available to the public.

HUD appreciates the partnership with City of Seaside staff and looks forward to continuing to support the city's efforts to meet the goals of the Consolidated Plan. If there are any questions or there is a request for technical assistance, please do not hesitate to contact Eric Christensen, Community Planning and Development Representative at (415) 489-6589, or via e-mail at Eric.F.Christensen@hud.gov.

Sincerely,



 Kimberly Nash
Director
Community Planning and
Development Division

Enclosure

cc:

Craig Malin, City Manager

Sharon Mikesell, Administrative Analyst, Economic Development

Annual Performance Assessment

City of Seaside Program Year 2017

Consolidated Annual Performance and Evaluation Report (CAPER)

Program Year End: June 30, 2018
Report Due: September 28, 2018
Report Received: September 27, 2018

Funding Covered by CAPER:
CDBG: \$363,989

Summary of Program Compliance

Community Development Block Grant Program (CDBG)

- Public Services Obligation [24 CFR §570.201(e)(1) or (2)]
 - Standard: <15% of Allocation plus Program Income received in prior year
 - Actual %: 15.00%
 - Obligated as reported in CAPER: \$76,627.50
- Administration & Planning
 - Expenditure [24 CFR §570.200(g)(1)]
 - Standard: <20% of Origin Year Allocation excluding Program Income
 - Actual %: 14.40%
 - Expenditure as reported in CAPER: \$52,403.72
 - Obligation [24 CFR §570.200(g)(2)]
 - Standard: <20% of Allocation plus Program Income received in current year
 - Actual %: 13.54%
 - Obligated as reported in CAPER: \$69,786.87
- Benefit to Low to Moderate-Income Persons [24 CFR §570.200(a)(3)]
 - Standard: At least 70% of the aggregate amount of CDBG funds received by the recipient shall be used for activities that benefit low- and moderate-income persons as reported in the CAPER.
 - Actual %: 100%
- Timeliness of Expenditures [24 CFR §570.902]
 - Standard: The regulations require that 60 days before the end of the program year, the (city/county) have no more than the equivalent of 1 ½ years-worth of CDBG grant funds available in its U.S. Treasury account. A ratio at or below 1.50 is acceptable.

- Actual ratio: 0.99
- Balance: \$358,922.88
- Test date: May 2, 2018

Comments: HUD has concluded that the city of Seaside has complied with the listed requirements for the Community Development Block Grant program during program year 2017.



CITY OF SEASIDE STAFF REPORT

Item No.: 6.C.

TO: Community Development Advisory Committee

BY: Sharon Mikesell, Administrative Analyst

DATE: July 17, 2019

SUBJECT: DISCUSS THE 2019-2020 YEAR AHEAD

PURPOSE & RECOMMENDATION

The purpose of this item is to discuss ideas for the year ahead, including subrecipient monitoring efforts, current funding and updating the application process utilizing City Data Services data management.

BACKGROUND

The Consolidated Plan is designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from formula block grant programs including the Community Development Block Grant (CDBG) Program.

The Consolidated Plan is carried out through Annual Action Plans, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. Grantees such as Seaside report on accomplishments and progress toward Consolidated Plan goals in the Consolidated Annual Performance and Evaluation Report (CAPER). The current fiscal year will conclude Seaside's current five year Consolidated plan. This year's Annual Action Plan is still under HUD review, the funding at a glance is for Public Services and Projects is attached to this report.

In previous cycles, Seaside utilized a consultant to prepare the Consolidated plan and help with subrecipient monitoring. Last fiscal year, the City migrated from a consultant to using City Data Services data management, staff took over all report reviewing and processing activities and the CDAC asked three subrecipients to make presentations

regarding their CDBG programs during a CDAC meeting. The Consolidated plan is expected to be prepared in-house. Some portions of the Consolidated Plan preparation can be addressed by the CDAC. The Analysis of Impediments was completed jointly by the five agencies receiving HUD funds in Monterey County and has been approved by all five agencies governing bodies. This document was on a timeline to be completed by October 2019.

Moving forward, grant cycle subrecipient applications will be accepted through the City Data portal using a similar process as used by Monterey County and the City of Salinas. This will cut down on time of preparation by the applicants and reproduction costs. City Data Services software interfaces with the HUD software used to prepare the annual reports so re-keying of data has already been greatly reduced.

The CDAC is encouraged to consider which subrecipients they would like to monitor in the upcoming year. HUD considers monitoring important as "the American public wants accountability from government and assurance that Federal funds are spent effectively to accomplish their intended purpose".

As far as the future of the CDBG program in general, the President's budget proposal for 2020 eliminated the program. However, on May 23, 2019- the House appropriations subcommittee approved funding through September 30, 2022, so the program has not yet been eliminated as the federal budget process continues.

ATTACHMENTS

1. HUD-Integrity-Bulletin-Subrecipient-Oversight-Monitoring
 2. Actual AAP at a glance 2019-2020
-



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.

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

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.

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

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.

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.

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 problem 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 subrecipient 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>.

IDIS Program Year	Idis Project #	IDIS Activity #	Organization	Actual	2019-2020 Allocated by City Council	Serving	Summary
				PUBLIC SERVICES			
2019	1	1312	Action Council (Palenke Arts)	\$ 9,812.00	\$ 10,168.00	100 students	Multicultural Arts program for Seaside youth
2019	2	1313	CPY	\$ 9,812.00	\$ 10,168.00	415 students including 15 HS tutors	Youth gang and violence prevention program. High school leadership and life skills program.
2019	3	1314	ECHO	\$ 5,000.00	\$ 5,000.00	45 households	Fair Housing and Tenant-Landlord services with goal to prevent homelessness, end discrimination and illegal housing practices.
2019	4	1315	Girls Inc of Central Coast	\$ 6,804.00	\$ 6,804.00	100 girls plus 35 mother daughter pairs	Four programs focusing on girls in 4th grade through high school
2019	5	1316	Greater Victory Temple-Community Pgm	\$ 9,812.00	\$ 10,168.00	100 persons	Expand after school community program that includes tutoring and food. Partners with MPUSD, Shelter Outreach Plus and the Village Project
2019	6	1317	Legal Services for Seniors	\$ 9,812.00	\$ 10,168.00	300 seniors	No cost legal services to Seaside seniors age 62+ and workshops
2019	7	1318	Meals on Wheels of the Monterey Peninsula	\$ 6,804.00	\$ 6,804.00	120 homebound persons	A portion of the food costs for homebound Seaside residents. Over 60% of the deliveries are to persons over 75 years old.
2019	8	1319	The Village Project	\$ 9,812.00	\$ 10,168.00	38 Seaside at risk students	Mae C.Johnson Education and Enrichment Academy. After school program with tutoring, technology and enrichment activities for low income, at-risk students.
			Subtotal	\$ 67,668.00	\$ 69,448.00		
				\$ 67,669.80	\$ 69,450.00		ESTIMATED AVAILABLE
				\$ 1.80	\$ 2.00		Estimated contingency
							No amount below \$5,000

Non-Public Services Funded Activities							
2019	9	1320	Boys and Girls-Clubhouse Improvements	\$ 22,000.00	\$ 22,000.00	870 Youth	Community room upgrades
2019	10	1321	Community Human Svcs-Genesis House Improvements	\$ 30,000.00	\$ 30,000.00	130 persons	Electrical improvements to Genesis House
2019	11	1324	Veterans' Transition Renovations	\$ 216,238.00	\$ 200,000.00	8-16 homeless/at risk veterans at a time (64-128 annually)	renovate 8 bedroom duplex for emergency shelter
2019	12	1325	Seaside Econ Dev-Microbusiness Assistance	\$ 25,000.00	\$ 25,000.00	3 microbusinesses	compete for rent subsidies
			Subtotal	\$ 293,238.00	\$ 277,000.00		
			ACTUAL AVAILABLE	\$ 293,238.00	\$ 300,950.00		ESTIMATED AVAILABLE
					\$ 23,950.00		Estimated contingency
							"extra" to go to VTC



CITY OF SEASIDE
Community Development Advisory Committee (CDAC)
Long Range Calendar
July 2019- – June 2020

July CDAC Meeting	July 17, 2019
Election of officers	
Discuss 2019-2020 CDBG Subrecipient Monitoring Schedule (possible site visits)	
Status of AAP /Analysis of Impediments/ CDBG program	
Discuss changes to application process for 2020-2022	
Staff draft Consolidated Annual Performance & Evaluation Report (CAPER)	July and August
Last possible day AAP Due to HUD with appropriate attachments/certifications	August 16, 2019
Funding Approval Document received and contract documents to sub recipients	upon HUD approval of AAP-TBD
August CDAC Meeting	August 21, 2019
- CAPER preview	
- Fourth Quarter (Apr-Jun) and Annual Program Reports (CAPER preparation)	
Notice of CAPER Publication and Notice of Community Workshop in MCWeekly	September 5, 2019
CAPER publication (15 day comment period begins)	September 9, 2019
September CDAC Meeting and Community Workshop	September 18, 2019
- Annual Community Needs Assessment Workshop	
- Community Needs Topics targeted to Consolidated Plan Update research	
City Council public hearing CAPER	September 19, 2019
CAPER due to HUD	September 30, 2019
October CDAC Meeting	October 16, 2019
- Annual Priority Needs for 2020-2022 cycle and	
- Consolidated Plan preparation strategy (5 year plan)	
- July 2020-June 2025 priority needs & long range goals	
City Council	November 7, 2019
- Presentation of the needs identified at the September workshop and the upcoming annual process/two year cycle	
NOFA announcement in Monterey County Weekly	November 7, 2019
November CDAC Meeting / PROPOSAL WORKSHOP (mandatory for applicants)	November 20, 2019
Application packets available	
December CDAC Meeting	December 18, 2019
First Quarter Program Report (Jul-Sep)	
Monitoring update	
Consolidated Plan discussion	
2020	

PROPOSALS DUE FOR 2020-2022 PUBLIC SERVICE AND CITY / SUBRECIPENT PROJECTS	January 10, 2020
January CDAC Meeting Proposals to CDAC to start review, Consolidated Plan preparation Monitoring Presentations	January 15, 2020
February CDAC Meeting Review of proposals/Funding Recommendation to Council	February 19, 2020
Possible special CDAC meeting if needed	To be determined
Deadline for City Council packet for March 19 meeting	March 2, 2020
Administrative draft Consolidated and Annual Action Plan to CDAC	March 2, 2020
March CDAC Meeting Second Quarter Program Report (October-December) Review Consolidated Plan and AAP Draft <i>2021-ANNUAL WORK PLAN to present to City Council (must be approved by CDAC by April 1)-City Council will review/approve in May</i>	March 18, 2020
City Council - Present CDAC recommendations for annual Action Plan	March 19, 2020
Advertisement to run for Annual Action Plan/Public Hearing for AAP/Con Plan	March 26, 2020
Public Comment Period Annual Action Plan/Consolidated Plan	April 6-May 7, 2020
April CDAC Meeting (likely to be cancelled)	April 15, 2010
City Council – public hearing - adopt Consolidated and Action Plan	May 7, 2020
City Council-review 2020-2021 Annual Work Plan	To Be Announced
Action Plan Due to HUD (likely to be adjusted by HUD)	May 15, 2020
May CDAC Meeting - 3rd Quarter sub recipient reports - Update on CDBG program	May 20, 2020
June CDAC Meeting (if needed) - Election of officers	June 17, 2020
<i>Conditional notice of awards to Subrecipients</i>	<i>TBD</i>