

VIII. PROGRAM ADMINISTRATION

Sec. 91.230

The plan must describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements.

The city's Community & Economic Development Office is responsible for ensuring that the city is in compliance with the requirements of the CDBG and HOME programs. In addition to financial management, grant administration and environmental reviews, CEDO is the lead city agency for comprehensive planning for the CDBG and HOME programs. CEDO also participates in housing and community development related planning efforts – such as the revision of the city's zoning ordinance; the Affordable Housing Task Force Recommendations, Action Plan and Annual Updates; Moving Towards Home, the City's 10-Year Plan for Ending Homelessness; and the Burlington Family Report – as well as community planning and assessment initiatives – such as the Chittenden County Housing Targets Task Force; the GBIC regional economic development plan; the Regional Plan for Early Childhood; the Agency of Human Services District Leadership Team and Incarcerated Women Initiative; the Fletcher Allen Community Needs Assessment; the Substance Abuse, Racism and Long Term Care Study Circles; and the University of Vermont Quality of Life Survey and Genuine Progress Indicator work.

Minority Business Outreach

CEDO has created an online Disadvantaged Business Enterprise registry which it promotes in its housing program, its business calling program and other economic development outreach activities as well as to its subrecipients and to other city departments.

Monitoring Standards and Procedures

As part of its administration and planning activities, the city monitors the activities funded through its Community Development Block Grant and HOME Investment Partnership Act programs to ensure that they are in compliance with regulatory requirements, to discuss community needs and program challenges with subrecipients, and to assess the effectiveness of funded activities.

CDBG Program

CEDO monitors all CDBG subrecipient activities through program reports submitted by subgrantees with each request for funds. In addition, staff make onsite monitoring visits to selected subrecipients each year based on factors such as whether the subrecipient is a new organization or a new CDBG grantee; how long it has been since the last onsite monitoring visit; whether there were problems revealed during the last monitoring visit; whether the program reports indicate a need for onsite monitoring; whether there have been significant changes in subrecipient staff; and the size of the grant. Agencies that have demonstrated an excellent track record with CDBG compliance may be viewed as

low-risk, and monitored less frequently. Agencies in which there have been findings or other indications of significant concern may be monitored more frequently. If findings are not addressed, the city will impose sanctions ranging from withholding reimbursement until the findings are corrected to terminating the agency's agreement to not allowing future applications for CDBG funding.

Subrecipients are monitored for compliance with CDBG regulations and for success in carrying out the goals and objectives defined in their CDBG contract. Specific questions that staff review include:

- Is the project operating within the approved budget? If not, why not?
- Has there been an audit of the agency? If so, a copy is obtained and reviewed. If not, why not?
- Where there is program income, what is the process for reporting and using it?
- Do accounting records adequately identify the use of CDBG funds?
- Are accounting records supported by source documentation for vendors invoices, purchase orders, time sheets, contracts, etc.?
- Does the agency document use of funds through records such as payroll ledgers, cancelled checks, receipts ledgers, bank deposit tickets and bank statements, time sheets and contracts for services?
- Is the information reviewed on a site visit consistent with the records maintained by the agency and with data previously provided to the city?
- What procedure does the subrecipient use for procurement? Is it consistent with Circular A-110 (nonprofits) or A-102 (governmental entities)?
- Are the actual measurable accomplishments of the project to date proceeding according to contract projections? If not, why not?
- Is the project providing the full scope of services delineated in the contract? If not, why not?
- What are the number and percentage of low and moderate-income people served by the project?
- How does the project prove that it serves low and moderate-income people?
- Does the project serve minority populations? What is the method of outreach?
- Is the project on schedule? If not, why not?
- How does the agency evaluate the effectiveness of the project?
- Does the project conform to any additional terms of the contract?
- Has any work on the project been subcontracted?
- What effort was made to employ local residents and use local businesses and contractors?
- Is the agency complying with equal opportunity requirements?
- Is the agency complying with disability access and nondiscrimination requirements?
- What provisions does the agency make for translation/interpretation?
- What is the agency's record retention policy, and is it consistent with program regulations?
- Does the agency have and follow a conflict of interest policy?

HOME Program

HOME subrecipient activities are monitored through annual project reports submitted by subgrantees and through onsite visits. The purpose of the project reports is to ensure that all HOME-assisted housing units meet federal regulations for rent and income levels as well as compliance with Housing Quality Standards. The city, through the Housing Initiatives Program, ensures that subrecipients comply with statutory and regulatory requirements by means of:

- Contracts between the city and subrecipients.
- Annual review of audits and project financials.
- Review of income eligibility – as established by the U.S. Department of Housing & Urban Development (HUD) – of beneficiaries.
- Review of continuing affordability as established by HUD and by the Community & Economic Development office policy.
- Review to ensure that any proposed permanent displacement of current occupants resulting from the investment of CDBG, HOME and/or Burlington Housing Trust Fund monies in a given project comply with the Housing Initiatives Program displacement policy.
- Review of annual income certifications as required by HUD.
- Review of financial statements and the project pro formas for nonprofit and for-profit borrowers, and a review of assets and management performance for for-profit landlords.
- Review to ensure that property taxes are current.
- Title searches for loans exceeding \$2,000.
- Mortgages and housing subsidy covenants containing home restrictions for all loans.
- Appraisals or recent city tax assessment for all loans.
- Record of compliance by the applicant in meeting fair housing standards and city ordinances.
- For for-profit landlords, the loan to value after rehabilitation must be no more than 90%. (Homebuyers, homeowners, nonprofit organizations and limited equity cooperatives may be allowed to go as high as 100%).
- Debt services coverage ratio for for-profit landlords must be 1:1 or better
- Loans/grant amounts may not exceed more than \$30,000 per unit, although exceptions may be granted on a case-by-case basis. No single loan/grant may exceed 50% of the annual HOME allocation.
- Rehabilitation standards require that all buildings containing assisted units conform to Burlington's minimum housing code and to HUD's housing quality standards. In addition, cost effective energy conservation improvements may be required.
- Bidding by contractors in accordance with federal, state and city requirements.
- Lead paint hazard assessment and abatement through the Vermont Housing & Conservation Board's Lead Paint Reduction Program.
- Professional asbestos abatement where there is an obvious hazard of friable asbestos, pipe lagging, or an asbestos-insulated heating plant.
- Level 1 site assessment where there is reason to believe that a hazard may exist.