

Guide for Review of CDBG-Funded Rehabilitation Program Management			
Name of Program Participant: City of La Crosse			
Staff Consulted: Kevin Conroy, Ashley Marshall			
Name(s) of Reviewer(s):	Caroline Gregerson	Date:	7/24/2019 (monitoring 2018)

**NOTE:** All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

**Instructions:** This Exhibit applies to all CDBG Entitlement program-assisted property rehabilitation. The Department's policy on housing rehabilitation emphasizes, as a priority, increasing the efficiency and effectiveness of local rehabilitation programs. This Exhibit is designed to evaluate a program participant's rehabilitation program from a management perspective, reviewing both rehabilitation productivity and the cost effectiveness of program operations. It is both a qualitative and quantitative analysis. It is divided into ten sections: Program Design and Management; Budget and Productivity; Rehabilitation Standards; Loan Financing and Servicing; Contractor Selection and Oversight; Beneficiary and Rehabilitation Data; Lump Sum Drawdowns; Escrow Accounts; Other Requirements; and Summary of Exhibit 3-11 Reviews. This Exhibit **must** be used in conjunction with individual project/activity reviews conducted under Exhibit 3-11 in order to make supportable determinations about the participant's rehabilitation program as a whole. Section J at the end of this Exhibit is to be used to summarize the results of Exhibit 3-11 reviews that are used for this purpose. The term "*program participant*" is used interchangeably with "*grantee*" and "*recipient*" for purposes of this Exhibit.

This Exhibit includes citations to regulations that pre-dated HUD's implementation of 2 CFR Part 200 (e.g., 2 CFR Part 225 (formerly OMB Circular A-87), 24 CFR Part 85 and 24 CFR Part 84). The regulations for these citations, referenced herein as "(2013 edition)," may be found at: <https://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR&searchPath=Title+24&oldPath=Title+24&isCollapsed=true&selectedYearFrom=2013&ycord=1000>. CPD staff conducting monitoring should use the appropriate citations based on the applicability of 24 CFR Parts 84/85 or 2 CFR Part 200. For further information, please see the HUD Transition Notice (SD-2015-01), dated December 26, 2015, which describes the transition to 24 CFR Part 200 located at: <https://portal.hud.gov/hudportal/documents/huddoc?id=15-01sdn.pdf> and additional transition guidance available in a subsequent notice (CPD-16-04), dated April 13, 2016, located at: <http://portal.hud.gov/hudportal/documents/huddoc?id=16-04cpdn.pdf>.

**Questions:**

**A. PROGRAM DESIGN AND MANAGEMENT**

1.

a. Do the types of buildings and improvements, including the type of assistance provided (i.e., grants, loans, loan guarantees, interest supplements) qualify as eligible activities under 24 CFR 570.202(a) and (b)?	X	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A

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CDBG Entitlement Program

**Describe Basis for Conclusion:** The eligible activity is financing the rehabilitation of privately owned buildings and improvements for residential purposes and improvements to single family residential property. The type of assistance that is eligible is CDBG funds through the use of grants. (Source: Housing Rehabilitation Guidelines)

b. If the program participant claims rehabilitation activities as benefiting low- and moderate-income persons or households, as appropriate, what definition of income under 24 CFR 570.3 does it use?

**Describe Basis for Conclusion:** "Annual income" as defined under the Section 8 Housing Assistance Payments program at 24 CFR 813.106 (except that if the CDBG assistance being provided is homeowner rehabilitation under § 570.202, the value of the homeowner's primary residence may be excluded from any calculation of Net Family Assets); used part 5, documented in the policies and procedures and in analysis of income documentation

2.

a. Has the program participant established written local operating procedures and policies for the program?	X	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A

**Describe Basis for Conclusion:** On file and updated.

b. If the answer to "2.a" above is "yes," does a review of the procedures and policies generally indicate compliance with HUD regulations and policies?	X	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A

**Describe Basis for Conclusion:**

Reviewed policies and procedures and follow HUD regulations.

c. If the answer to "2.a" above is "yes," do the procedures cover beneficiary dispute resolution?	X	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A

**Describe Basis for Conclusion:**

Appendix 16 describes grievance policy

3.

If the program participant includes in its rehabilitation program rental housing to be occupied by low- and moderate-income households, has the participant adopted and made public its standards for determining "affordable rents?" [24 CFR 570.208(a)(3)]	<input type="checkbox"/>	<input type="checkbox"/>	X
	Yes	No	N/A

**Describe Basis for Conclusion:**

4.

If applicable, does the program participant monitor its third party subrecipients or entities that carry out rehabilitation on behalf of the program participant? [24 CFR 570.501(b)]	<input type="checkbox"/>	<input type="checkbox"/>	X
	Yes	No	N/A

**Describe Basis for Conclusion:**

5.

How does the program participant ensure that information about its rehabilitation program is provided to potential beneficiaries?

**Describe Basis for Conclusion:**

Conducts marketing program annually through direct mailing, outreach to neighborhood associations, has maintained and updated website, since the program has been in place since the 80s many of the referrals are word of mouth

6.

Does the program participant provide training to staff on housing rehabilitation requirements?

X ☐ ☐

Yes No N/A

**Describe Basis for Conclusion:**

Yes, staff undergoes national and local training

**B. BUDGET AND PRODUCTIVITY**

7.

For the current program year, does the program participant maintain documentation showing:

a. Total CDBG funds budgeted?

\$

329,456.81 (Loans)+

\$ 88,387.91

(Admin)= \$417844.72

b. Total amount of CDBG funds obligated Year-To-Date (YTD)?

\$ SAME

c. Total amount of CDBG funds expended YTD?

\$ SAME

d. Total of all funds budgeted for rehabilitation this year (2019)?

CDBG \$: 328,199.38

Public \$: \_\_\_\_\_

Private \$: \_\_\_\_\_

TOTAL\$: \_\_\_\_\_

[24 CFR 570.506(a)]

**Describe Basis for Conclusion:**

IDIS documentation

8.

a. What was the total number of units rehabilitated in the prior program year (for all funding sources)? 18

**Describe Basis for Conclusion:**

IDIS documentation and back up report

b. What is the total number of units proposed for rehabilitation this program year (all funding sources)?

**Describe Basis for Conclusion: 15**

**C. REHABILITATION STANDARDS**

9.

a. What standards are used to determine the extent of rehabilitation necessary (e.g., is there a standard specification or performance manual)?

**Describe Basis for Conclusion:**

Housing Quality Standards (policy and procedures manual) plus if funding leftover, homeowner desired improvements based on eligible improvements

b. Have local housing codes been adopted in conjunction with the program participant's rehabilitation standards?

X ☐ ☐  
☐  
**Yes No N/A**

**Describe Basis for Conclusion:**

Policies and procedures manual, actual practice

c. If the answer to "9.b" above is "yes," how does the program participant determine that the work items meet local codes upon completion?

**Describe Basis for Conclusion:**

The program prioritizes work that correct code violations and all code violations must be addressed. Inspector verifies that all work has been brought up to code that required permitting and that the building is decent safe and sanitary (policies and procedures interview with housing specialist)

10.

a. Describe the process for preparing the work specifications and cost estimates, including which employees' positions have the responsibility to prepare the cost estimates and approve them.

**Describe Basis for Conclusion:**

The Housing Rehabilitation Specialists conducts an inspection of the property and prepare the work specifications based on Housing Quality Standards and Building Code. (Verified by policies and procedures and interview with Housing Specialist). At least 2 proposals are required to be collected but 3 are collected if possible. Housing Specialist Kevin Conroy prepares the cost estimates and approved them. HVAC was not sent out to bid as homeowner bid the project themselves and did not want to send it out. Cost analysis performed by Kevin Conroy demonstrated this cost was reasonable (employee interview 7/26/2019).

b. Is there a written procedure in place for changes in the scope of work and/or specifications?

X ☐ ☐  
**Yes No N/A**

**Describe Basis for Conclusion:**

Yes, change orders of more than \$2000 must be approved by the Community Development Committee. Housing Rehabilitation Specialist performs a cost analysis for change orders. In the file viewed, there were change orders for general contract but none exceeded \$2000. There was a change order to add in the A/C unit which exceeded \$2000, in the amount of \$3021. Housing Rehab Specialist based on experience stated that amounts were reasonable.

c. 1. Is there a procedure for determining if contract costs are reasonable and, if so, who or which employee positions have the responsibility for making the determination and approving the costs? [2 CFR Part 225, Appendix A, C(1) and (2) (OMB Circular A-87) (2013 edition)]	X Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b> The process for determining contract costs are reasonable are obtaining a minimum of two bids. Additionally, the Housing Specialist also ensures that the bids received are reasonable. The Housing Specialist oversees the bidding process and the CDC approves the loan amounts. There is a cap on loan amounts as well.			

For Monitoring Covered by 2 CFR Part 200 Requirements.

c. 2. Is there a procedure for determining if contract costs are reasonable and, if so, who or which employee positions have the responsibility for making the determination and approving the costs? [2 CFR 200.403(a) and 200.404]	X Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b> Same answer as above.			

d. If the answer to “10.c.1” above is “no,” what actions are being taken to ensure that costs are reasonable? [2 CFR Part 225, Appendix A, C(2); OMB Circular A-87 (2013 edition)]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b>			

For Monitoring Covered by 2 CFR Part 200 Requirements.

e. If the answer to “10.c.2” above is “no,” what actions are being taken to ensure that costs are reasonable? [2 CFR 200.404]	<input type="checkbox"/> Yes	<input type="checkbox"/> No	X N/A
<b>Describe Basis for Conclusion:</b>			

D. LOAN FINANCING AND SERVICING

11.

a. Does the program participant have written loan-financing procedures in place?	X Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b> <b>Yes. In Housing Rehab Guidelines.</b>			
b. If there are written procedures, do they set forth the conditions of assistance, such as the interest rate charged, the loan term, and the maximum borrowing amount?	X Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>Describe Basis for Conclusion:</b>			

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c. If there are procedures, do they describe a process for handling delinquencies?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
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**Describe Basis for Conclusion:**  
Delinquencies described in loan agreement and loan note.

12.

a. If loans are involved, what is the process for servicing them? (For example, who collects repayments when due and posts them to account records?)	
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**Describe Basis for Conclusion:**  
The City of La Crosse collect the loan payments and posts them to account records.  
(Processes / interviews)

b. If the program provided a loan to an owner, is there a copy of the promissory note and loan agreement on file?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes No N/A</b>
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**Describe Basis for Conclusion:**  
Yes on file and recorded for both case files pulled.

c. If the loans are secured, are the security documents recorded?	<input checked="checked" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes No N/A</b>
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**Describe Basis for Conclusion:**  
Yes on file (viewed files).

13.

a. If a bank is involved in loan servicing, has the program participant signed a written agreement with the bank, specifying the services to be provided by the bank, the fees, and the consequences for failure to perform?	<input type="checkbox"/> <input type="checkbox"/> <input checked="checked" type="checkbox"/> <b>Yes No N/A</b>
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**Describe Basis for Conclusion:**

b. If applicable, has the lender performed any administrative services for the program?	<input type="checkbox"/> <input type="checkbox"/> <input checked="checked" type="checkbox"/> <b>Yes No N/A</b>
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**Describe Basis for Conclusion:**

E. CONTRACTOR SELECTION AND OVERSIGHT

14.

a. 1. Is there a written contractor selection procedure in place for contractors selected in accordance with the procurement requirements at 24 CFR 85.36 (2013 edition)? (These procurement requirements do not apply if the homeowner is selecting the contractor.)	<input type="checkbox"/> <input type="checkbox"/> <input checked="checked" type="checkbox"/> <b>Yes No N/A</b>
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**Describe Basis for Conclusion:**

The homeowner makes the final selection of the proposal. However, the owner shall attempt to obtain a minimum of 2 proposals for each area of work. If only one is obtained, HSA shall advise if that proposal has reasonable costs.

For Monitoring Covered by 2 CFR Part 200 Requirements.

a. 2. Is there a written contractor selection procedure in place for contractors selected in accordance with the procurement requirements at 2 CFR 200.318-200.326? (These procurement requirements do not apply if the homeowner is selecting the contractor.)	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> Yes No N/A
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**Describe Basis for Conclusion:**

Generally, the homeowners are encourage to select the lowest bidding proposal but they select the proposal.

b. If the answer to “a.2” above is “yes,” describe the contractor selection process, including whether the program participant selects the contractor, or, if the owner selects the contractor, what guidance, if any, is provided by the program participant.
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**Describe Basis for Conclusion:**

NOT APPLICABLE.

15.

Is there an adequate pool of contractors who perform rehabilitation work as overseen by the program participant or its designee?	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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**Describe Basis for Conclusion:**

Approximately 20 contractors are in the housing rehabilitation pool. Generally, two bids are being obtained for each housing rehabilitation case. There is not an adequate pool of contractors and this phenomenon is continuing state-wide. The City of La Crosse will continue efforts to recruit more contractors to the program. While the supply is adequate, it could be more robust as we are generally unable to obtain three bids in most cases.

16.

a. 1. Is there a written procedure for resolving <i>contract</i> disputes? (This does not apply if homeowner selected the contractor.) [24 CFR 84.41 and 85.36(b)(12) (2013 edition)]	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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**Describe Basis for Conclusion:**

Yes there is but the homeowner selects the contractor.

For Monitoring Covered by 2 CFR Part 200 Requirements.

a. 2. Is there a written procedure for resolving <i>contract</i> disputes? (This does not apply if the homeowner selected the contractor.) [2 CFR 200.318(k)]	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
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**Describe Basis for Conclusion: Yes it is in the file.**

b. Whether the program participant has written procedures in place or not, describe the program participant’s process for resolving contract disputes.
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**Describe Basis for Conclusion:**

In the event a dispute exists between the owner(s) and the contractor with respect to the work, the HSA shall take action in accordance with the provisions of the contract to assure that the work has been performed satisfactorily. If the HSA finds the work satisfactory, the owner(s) must resolve the dispute independently with the contractor or accept the HSA's determination. The HSA shall authorize payment for satisfactorily completed work. (taken out of policies and procedures)

17.

For on-site inspections, does the quality and scope of rehabilitation work appear consistent with the scope and cost of the work?	X	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b> Yes based on photographs in the file.			

**F. BENEFICIARY AND REHABILITATION DATA**

18.

a. 1. Describe the program participant's system for maintaining applicant, beneficiary, and rehabilitation records/information. [24 CFR 84.53 and 24 CFR 85.42 (2013 edition)]
<b>Describe Basis for Conclusion:</b> saved on a password protected file.

For Monitoring Covered by 2 CFR Part 200 Requirements.

a. 2. Describe the program participant's system for maintaining applicant, beneficiary, and rehabilitation records/information. [2 CFR 200.333]
<b>Describe Basis for Conclusion:</b> saved on a password protected file.

For Monitoring Covered by 2 CFR Part 200 Requirements.

b. Is adequate security afforded to applicant data that are confidential? [2 CFR 200.337 and 24 CFR 570.508]	X	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b> saved on a password protected file and only accessible to planning department employees.			

c. Are rehabilitation loan and/or grant documents kept in a secure and fireproof facility?	<input type="checkbox"/>	<input type="checkbox"/>	X
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b> saved electronically.			

d. Is there an electronic data backup system?	X	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b>			



19.

Describe the program participant's system for tracking and reporting rehabilitation activities in the Integrated Disbursement and Information System (IDIS).

**Describe Basis for Conclusion:**

Case file generated in Housing Rehabilitation PRO then updated in IDIS.

20.

Does the program participant's system assist in analyzing its own program outputs?	X	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A

**Describe Basis for Conclusion:**

G. LUMP SUM DRAWDOWNS

21.

a. If the program participant has drawn down funds in a lump sum, does the participant have a <u>written</u> lump sum agreement? [24 CFR 570.513(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	X
	Yes	No	N/A

**Describe Basis for Conclusion:**

b. If the answer to "21.a" above is "yes," what is the date of the execution of the agreement and the amount of the initial deposit?

**Describe Basis for Conclusion:**

22.

a. Does the lump sum agreement contain the required elements? [24 CFR 570.513(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	X
	Yes	No	N/A

**Describe Basis for Conclusion:**

b. Does the agreement describe the benefits to be provided by the private financial institution in support of the program participant's rehabilitation program, including provisions of interest payments, and at least one of the three regulatory requirements; and are such benefits being provided? [24 CFR 570.513(b)(9)(i) and (ii)]	<input type="checkbox"/>	<input type="checkbox"/>	X
	Yes	No	N/A

**Describe Basis for Conclusion:**

23.

a. Was a copy of the executed agreement provided to the HUD Field Office (as well as any modifications made to the agreement during its term, if applicable)? [24 CFR 570.513(b)(2)]	<input type="checkbox"/>	<input type="checkbox"/>	X
	Yes	No	N/A

**Describe Basis for Conclusion:**

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b. Was HUD notified of the amount of CDBG funds distributed to the private financial institution before the funds were used for the intended purpose? [24 CFR 570.513(e)]	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <b>Yes    No    N/A</b>
<b>Describe Basis for Conclusion:</b>  	

24.

Are the funds being used in accordance with the written agreement for eligible rehabilitation of privately-owned properties? [24 CFR 570.513(b)(1)]	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes    No    N/A</b>
<b>Describe Basis for Conclusion:</b> case files	

25.

a. Did use of the deposited funds commence within 45 days of the deposit? [24 CFR 570.513(b)(4)]	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <b>Yes    No    N/A</b>
<b>Describe Basis for Conclusion:</b>  	

b. Were funds substantially disbursed within 180 days of receipt of the deposit (e.g., 25% of the fund, deposit plus interest earned)? [24 CFR 570.513(b)(4)]	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <b>Yes    No    N/A</b>
<b>Describe Basis for Conclusion:</b>  	

26.

Does the program participant review the level of program activity annually? [24 CFR 570.513(b)(5)]	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes    No    N/A</b>
<b>Describe Basis for Conclusion:</b> CAPER	

**H. ESCROW ACCOUNTS**

27.

a. Has the program participant established escrow accounts for use in funding the rehabilitation of residential properties as permitted at 24 CFR 570.511(a)? (If the answer is “no,” skip to Section I.)	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <b>Yes    No    N/A</b>
<b>Describe Basis for Conclusion:</b>  	
b. If the answer to “27.a” above is “yes,” are the use of the funds limited to loans and grants of primarily residential properties containing no more than four dwelling units (and accessory space, if applicable)? [24 CFR 570.511(a)(1)]	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <b>Yes    No    N/A</b>

**Describe Basis for Conclusion:**

28.

a. Are the escrow accounts used, and funds deposited into an escrow account, only when specifically provided for in an executed contract between a property owner and contractor? [24 CFR 570.511(a)(2)]	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<input checked="" type="checkbox"/> <b>N/A</b>
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**Describe Basis for Conclusion:**

b. Is the amount of funds deposited limited to an amount expected to be disbursed within 10 working days from date of deposit? [24 CFR 570.511(a)(4)]	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<input checked="" type="checkbox"/> <b>N/A</b>
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**Describe Basis for Conclusion:**

29.

a. Are escrow funds deposited into an interest-bearing account? [24 CFR 570.511(a)(3)]	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<input checked="" type="checkbox"/> <b>N/A</b>
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**Describe Basis for Conclusion:**

b. If the answer to “29.a” above is “yes,” is the interest earned on the account remitted to HUD at least quarterly (less any service charges), unless the interest is attributable to the investment of program income (in which case, this should be described in the “basis for conclusion” below)? [24 CFR 570.511(b)]	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<input checked="" type="checkbox"/> <b>N/A</b>
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**Describe Basis for Conclusion:**

# I. OTHER REQUIREMENTS

30.

Does the program participant comply with the Lead Hazards requirements of 24 CFR Part 35? (Use appropriate Exhibits in Chapter 24 to answer this question.) [24 CFR 570.608]	<input checked="" type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<input type="checkbox"/> <b>N/A</b>
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**Describe Basis for Conclusion:**  
Copy of lead clearance paperwork on file. Lead pamphlet given to owners. Lead requirements and certifications also on file. Lead hazards addressed in both of the case test files.

31.

a. Does the program participant acquire property for the purpose of rehabilitation?	<input type="checkbox"/> <b>Yes</b>	<input type="checkbox"/> <b>No</b>	<input checked="" type="checkbox"/> <b>N/A</b>
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**Describe Basis for Conclusion:**

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b. If CDBG funds were used in a project involving the rehabilitation, acquisition, or demolition of the property, and if any tenants or owners were required to relocate permanently or temporarily, were the applicable relocation requirements followed [e.g., the Uniform Relocation Act (URA), Section 104(d)]? (If needed, refer to your Regional Relocation Specialist for assistance with this question.) [24 CFR 570.606, 49 CFR 24 and 24 CFR Part 42]	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <b>Yes    No    N/A</b>
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**Describe Basis for Conclusion:**

c. If the program participant acquires property, does it have a system for tracking the property(ies) and ensuring compliance?	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <b>Yes    No    N/A</b>
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**Describe Basis for Conclusion:**

32.

Were the environmental requirements at Part 58 met? (Use the applicable Exhibit(s) in Chapter 21 to answer this question.)	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <b>Yes    No    N/A</b>
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**Describe Basis for Conclusion:**

Completed and reviewed on file 7/26/2019

33.

If applicable, were Davis-Bacon requirements met? (Use the appropriate question(s) in Chapter 23 to answer this question.)	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <b>Yes    No    N/A</b>
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**Describe Basis for Conclusion:**

**J. SUMMARY OF EXHIBIT 3-11 REVIEWS**

34.

Summarize the conclusions reached in carrying out individual activity/project reviews under Exhibit 3-11. Include any findings, concerns and/or observations. As applicable, questions in the above sections should cross-reference the information in this section, using the Project or Application number(s) from Exhibit 3-11 to support determinations regarding the management of this participant's rehabilitation program.

**Describe Basis for Conclusion:**

Overall project was found in to be in compliance. Need to continue to recruit and market program to obtain more contractors. Need to create a cost analysis form for when only one bid is received. A change order of more than \$2000 must be approved by Committee. If homeowner desires only one bid, please discuss with them the benefits for more than one bid. If they choose to continue, ensure cost reasonableness for the one bid obtained.

I, Caroline Gregerson, conducted an internal desktop monitoring review of the Housing Rehabilitation Program on 7/26/2019. The Housing Rehabilitation Program was found to be in overall compliance and no major findings were found.

However, there are some recommendations for improvement:

- Ensure that homes address any code violations and verify with building and inspections.
- Continue to find ways to attract contractors into the program. It is very difficult to get contractors to bid on our projects.
- Best practice: Any changes in scope of work desired by the homeowner before the work commences and the proceed to work is issued should be approved in the CDC legislation.
- Any single change orders exceeding \$2000 should be approved by the CDC. (Currently complied with reminder).
- Modify guidelines to state that if only one proposal is received for work, Housing Specialist shall document and file a cost analysis/cost reasonableness statement. Generating a form when only there is a single bid.
- Highlight any lead hazards in the HQS inspection and mark them as fail with some level of detail as to the lead hazard.

*Caroline Gregerson*

7/26/2019