

SUBRECIPIENT TRAINING



City of Asheville
June 20, 2014

AGENDA

- Welcome/Introductions
- Contracting
- Record Keeping
- HOME Program
- Reporting & Outputs/Outcomes
- Procurement
- Income Determination
- Other Federal Requirements
- Monitoring
- Important Documents



CONTRACTING

- ☞ Subrecipient Agreements
 - ☞ Internal Process
 - ☞ Conditional letters
 - ☞ Scope of service
 - ☞ Budget
 - ☞ Required Signatures
 - ☞ Attachments
- ☞ Certificate of Insurance
- ☞ E-Verify
- ☞ CHDO & CBDO Recertification



RECORD KEEPING

- ☞ What information needs to be collected and why?
- ☞ When that information should be collected.
- ☞ How the information should be acquired, organized, and stored?
- ☞ How the information should be reported?
- ☞ The required retention period for records.

GENERAL RECORD KEEPING REQUIREMENTS

- ☞ Administrative records
 - ☞ Personnel files
 - ☞ Property management files
 - ☞ General program files
 - ☞ Legal files
- ☞ Financial records
 - ☞ All draw requests
 - ☞ Program Income
 - ☞ Audits
- ☞ Project/case file
 - ☞ National Objective
 - ☞ Eligibility determination
 - ☞ Progress reports
 - ☞ Other program requirements



FILE ORGANIZATION & MAINTENANCE

- ☞ Qualifying data
- ☞ Documentation of compliance with other federal requirements
- ☞ Evidence of inspections
- ☞ Records of disbursements for completed and approved work
- ☞ Cumulative data
- ☞ Audit

RETENTION OF RECORDS

- ☞ CDBG - Retained for four years
- ☞ HOME - Retained for five years



HOME PROGRAM

- New Policy & Procedure Manual
- Underwriting
- Market Analysis
- Subsidy layering
- Rehabilitation Standards



UNDERWRITING

- ☞ HOME \$ needed for quality affordable, financially viable housing for at least the affordability period. 92.250
- ☞ PJ must review:
 - ☞ Sources & uses
 - ☞ Cost reasonableness
 - ☞ Profit, fees or return
 - ☞ Neighborhood market
 - ☞ Developer experience & capacity
 - ☞ Firm financial commitments

UNDERWRITING

- ☞ Must not invest any more HOME funds, alone or in combination with other governmental assistance, than is necessary



MARKET ANALYSIS

☞ Why?

- ☞ Effective use of public funds
- ☞ Negative impact of vacant units
- ☞ Repayment requirement



ELEMENTS OF MARKET ANALYSIS

- Market Trends
- Absorption
- Market Area
- Supply Competitive Analysis
- Demand Target Customer Pool

SUBSIDY LAYERING

- ☞ The total amount of HOME funds that a PJ may invest on a per-unit basis may not exceed the per unit dollar limitations established under section 221(d)(3)(ii)
- ☞ Example:
 - ☞ *Example: Three units in a six-unit structure will be rehabilitated with HOME funds. The maximum-per-unit HOME subsidy for the area determined by HUD is \$80,000. Thus, the HOME subsidy for this project **cannot exceed** \$240,000 (3 X \$80,000). The developer has estimated rehabilitation costs of \$75,000 per unit. However, the subsidy needed to make the project financially feasible based on an analysis of the cash flow and development costs is only \$210,000, or \$70,000 per unit.*

REHABILITATION STANDARDS

- ☞ Must establish rehabilitation standards for all HOME-assisted housing rehabilitation activities.
- ☞ The description of the standards must be in sufficient detail to determine the required rehabilitation work including methods and materials.

REHABILITATION STANDARD

Example:

☞ General Construction Requirements

- ☞ All work shall comply with the North Carolina State Building Code.
- ☞ The contractor shall warrant the materials and workmanship on the project for at least 1 year from the date of approved final inspection.

☞ Roof

- ☞ Install minimum 25 year, 3 tab roof shingles. Leave minimum of one bundle of matching shingles in crawl space, stacked on bricks for owner's use.
- ☞ Install roof drip edge, white aluminum rib edge, 4" x 10" with ½" overhang.
- ☞ Install continuous ridge vent with vented soffit.

ACTIVITIES: IMPORTANT NOTES

- ☞ TBRA
- ☞ Homeownership
- ☞ New Construction
- ☞ Public Service
- ☞ Housing Services
- ☞ Housing Rehabilitation



BREAK



REPORTING - OUTPUTS/OUTCOMES

- ☞ Monthly Progress reports
- ☞ Draw request
- ☞ Objectives (scope of service)
 - ☞ Outcomes
 - ☞ Indicators
- ☞ Setup and Completion reports (HOME)
- ☞ Programmatic and budget changes
- ☞ CAPER
- ☞ Close-out

PROCUREMENT

- ☞ Bidding and contracting

- ☞ All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. Refer to 24 CFR Part 84.40

- ☞ Debarment/Suspension list

- ☞ <https://www.sam.gov/portal/SAM/#1>

INCOME DETERMINATION

☞ Part 5 Annual income

- ☞ Anticipate Income (HOME)

- ☞ Verifying Income

- ☞ Third-Party Verification

- ☞ Review of Documents

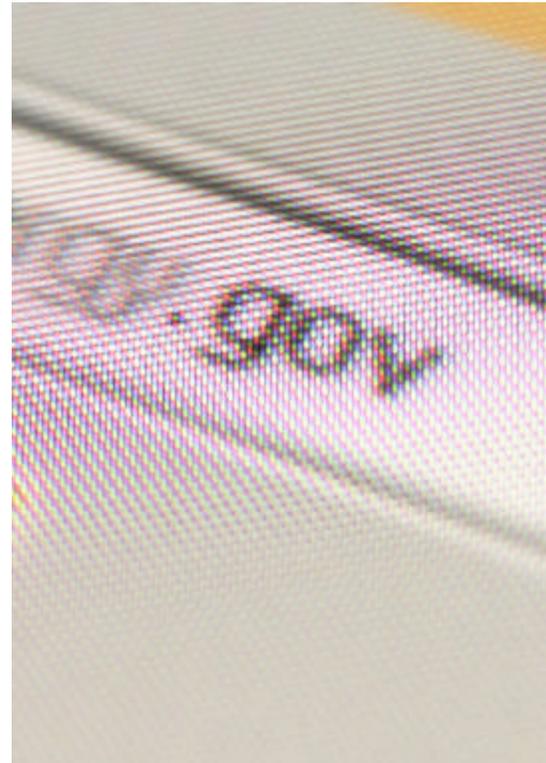
- ☞ Assessing Information

☞ Web Income Calculator

- ☞ <https://www.onecpd.info/incomecalculator/>

OTHER FEDERAL REQUIREMENTS

- ☞ Lead Paint Hazard
- ☞ Section 3
- ☞ Davis Bacon Compliance
- ☞ Fair Housing
- ☞ Conflict of Interest
- ☞ Environmental Review



ENVIRONMENTAL REVIEW

- Completed before commitment of funds
- Compliance with NEPA and Part 58
- Environmental Review Record (ERR)
- Required Documents
 - Photo of proposed area
 - Address
 - Property Look-up - PIN
 - Project set-up



ER LEVEL OF REVIEW

- ☞ Exempt - CENST
- ☞ Categorical Exclusion
 - ☞ Subject to 58.5 - CEST
 - ☞ Not Subject to 58.5 - CENST
- ☞ Environmental Assessment - EA
- ☞ Environmental Impact Statement - EIS

MONITORING

- ☞ Program performance
- ☞ Financial performance
- ☞ Regulatory performance
- ☞ Monitoring schedule
- ☞ Checklists
- ☞ Types
 - ☞ Desk Audit
 - ☞ Monitoring visit



IMPORTANT DOCUMENTS

- <https://www.onecpd.info/>
- CDBG - 24 CFR 570
- HOME final rule, July 2013 - 24 CFR Part 92
- Current income limits
- Technical Guide for Determining Income for HOME Program
- 24 CFR Part 84

QUESTIONS?

