



# RISK ANALYSIS DOCUMENTATION

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SUBMITTED BY THE CITY OF HOUSTON  
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

*HCDD submits this Risk Analysis Documentation on July 22, 2016, to demonstrate to HUD, in advance of signing a grant agreement pursuant to the allocation of CDBG-DR funds awarded to the City of Houston, as set forth in the notice published at FR-5938-N-01, that HCDD has in place proficient controls, procedures, and the management capacity necessary to effectively manage this allocation.*

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## Introduction

The Disaster Relief Appropriations Act of 2016 (Pub. L. 114 - 113, approved December 18, 2015) (Appropriations Act) was enacted to appropriate federal funds for disaster recovery. The Appropriations Act gives monies to states or units of general local government (UGLGs) for disaster recovery efforts in affected areas. The federal government appropriated \$300 million in Community Development Block Grant, Disaster Recovery (CDBG - DR) funds to be given to the various states or UGLGs that were declared to have suffered a major disaster by the President of the United States in 2015. These funds are to be used in order to satisfy a portion of unmet need that still remains after other federal assistance such as the Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), or private insurance has been allocated.

The Department of Housing and Urban Development (HUD) uses the “best available” data to identify and calculate unmet needs for disaster relief, long - term recovery, restoration of infrastructure, and housing and economic revitalization. Based on this assessment, HUD notified the City of Houston (City) that it would receive an allocation of \$66,560,000 in CDBG-DR funding for recovery programs stemming from 2015 Federal Disasters 4223 and 4245, which devastated the City (CDBG-DR 2015).

The Appropriations Act requires that the City expend the funds within six years of date the agreement between HUD and the City is signed, unless an extension is granted by HUD. All of the allocated funds shall be used for eligible disaster-related activities. To ensure that fraud, waste, and misuse of funds do not occur, effective controls must be in place and monitored for compliance.

The City’s Housing and Community Development Department (HCDD) has been designated by Mayor Sylvester Turner as the responsible entity for administering the CDBG-DR 2015 funding allocated to the City. HCDD will focus recovery efforts on activities that will address the broad impacts related to mitigating the losses suffered as a result of these disasters. CDBG-DR 2015 funding is crucial to continue the recovery process. Consistent with HUD’s vision and because CDBG-DR 2015 may fund a broad range of recovery activities, the City, through HCDD, will be able to help neighborhoods recover and build resilient communities.

As required by HUD, HCDD submits this Risk Assessment Documentation, demonstrating that it has in place the proficient controls, procedures, and management capacity to effectively manage CDBG-DR 2015. This Risk Assessment includes financial controls, procurement processes, and procedures to

- prevent any duplication of benefits (as defined by section 312 of the Stafford Act)
- ensure timely expenditure of funds

- maintain comprehensive websites regarding all disaster recovery activities assisted with these funds
- detect and prevent waste, fraud, and abuse of funds

## Pre - Award Implementation Plan

HCDD currently administers multiple programs funded by CDBG-DR grants and will continue to do so as it administers CDBG-DR 2015. The necessary financial controls, procurement processes, and adequate procedures have been established to ensure proper stewardship of public funds, to mitigate noncompliance, and to detect and prevent fraud, waste, and abuse of funds. Thus, HCDD can effectively manage CDBG-DR 2015, ensuring timely expenditure of funds, maintaining a comprehensive website regarding all disaster recovery activities assisted with these funds, and ensuring timely communication of application status to applicants for disaster recovery assistance.

CDBG-DR 2015 funding will go towards needs not addressed through other sources of public or private assistance specifically allocated for disaster assistance. These programs and projects will support recovery efforts only in Houston. 70% of the CDBG-DR 2015 funding will benefit low- to moderate-income populations, unless a waiver authorizes a different percentage.

In order to guarantee the proper disbursement of CDBG-DR 2015 funding, HCDD shall ensure compliance with all CDBG rules and regulations (24 CFR Part 570), as well as other applicable federal regulations, such as 2 CFR Part 200. The mitigation of fraud, abuse, and mismanagement related to financial management, procurement, and eligibility of funded activities will be prioritized by HCDD. To mitigate these issues, HCDD will perform routine reviews of program participants, subrecipients, and/or contractors, as applicable, to ensure the projects funded are in complete compliance with all program requirements.

HCDD already possesses the necessary policies, systems, and procedures which formally establish the critical monitoring strategies encompassing all cross-cutting regulatory requirements. These well-established systems include HUD program rules and regulations, civil rights, environmental, labor standards, fair housing, Section 3, citizen participation, reporting, and recordkeeping requirements. Not only do the systems exist, but they have proven to be successful approaches in the oversight of projects supported with CDBG and CDBG-DR funds. HCDD will leverage these existing resources and adapt them to the requirements of Public Law 114-113 and any subsequent related guidance, for CDBG-DR 2015.

The City and HCDD have proven to be responsible partners in prior allocations of federal funds and will continue to be, in efficiently and transparently managing CDBG-DR 2015. With its eye focused on accountability, HCDD has the capacity, staffing, and interagency coordination critical to successfully uphold its fiscal responsibility, as detailed in this Implementation Plan. HCDD will continue its partnership with local communities to address long-term recovery needs and resiliency strategies that help strengthen the City's

communities beyond the disaster recovery process, as they work to not only rebuild, but become better and stronger.

## Capacity

HCDD has conducted a thorough assessment of its capacity to oversee CDBG-DR 2015. Given the successful management of previous CDBG-DR programs and projects by HCDD, it is confident that its current organizational and staffing structure will provide a majority of the support necessary for successful implementation and compliant oversight of CDBG-DR 2015. As reflected in the organizational charts included herewith at [Appendix A](#), along with the Executive Management of HCDD, there are 3 divisions within HCDD that will be primarily responsible for the oversight of programs funded by the CDBG-DR 2015 Award: Planning and Grants Management; Compliance and Monitoring; and Finance and Procurement. Within these three divisions, there are currently 75 full-time positions with experience in administering the same or similar programs funded by the CDBG-DR 2015 Award. The product divisions (Single Family, Commercial/Multifamily, Public Facilities, Public Services, etc.), will be responsible for managing projects and programs that fall under their respective responsibilities. Additional staff expertise falls within these program areas and will be utilized, as needed, in implementing CDBG-DR 2015 projects and programs.

These experienced teams are currently successfully managing the CDBG, HOME, HOPWA, ESG, CDBG-DR I and II, NSP I and III, and EDI/Section 108 programs, which are funded through HUD allocations. As HUD routinely monitors these programs; HCDD is keenly aware of its responsibility for total compliance with all program requirements. The fact that HCDD has no findings of non-compliance from HUD or the State of Texas, for any of the grant programs it manages, demonstrates its capacity to successfully manage CDBG-DR 2015.

HCDD is not only responsible for the existing CDBG-DR grants, but also other programs benefitting the City. It is mindful of the additional responsibility CDBG-DR 2015 will place on the HCDD team. To ensure that it continues to manage all programs as a responsible steward, several positions in various disciplines will be added to support the management of CDBG-DR 2015. It is currently anticipated that the following positions will be added:

***Management Analyst II*** (2 additional positions in Planning and Grants Management) – These positions will be added to assist existing staff with planning, grants management, reporting, and DRGR functions.

***Financial Analyst II*** (2 additional positions in Financial Services) – These positions will be added to assist existing staff with accounting, payment, and DRGR functions.

***Financial Analyst IV*** (1 additional position in Commercial/Multifamily) – This position will be added to underwrite and issue solicitations under CDBG-DR 2015.

***Project Manager*** (3 additional positions in Commercial/Multifamily and Public Facilities) – These positions will be added to manage CDBG-DR 2015 projects through to completion.

***Administrative Assistant*** (4 additional positions in Commercial/Records Management) – These positions will be added to assist with the organization, compilation, and retention of all records concerning the projects and programs funded by the CDBG-DR 2015 .

***Inspectors*** (2-4 additional positions in Commercial/Multifamily and Single Family) – These positions will be added to assist existing staff transitioning into inspection and monitoring roles associated with CDBG-DR 2015 projects and programs.

The decision regarding any specific additional staffing needed will be finalized upon receipt of HUD's approval of the Action Plan to be submitted by the City and HCDD. Once the projects and programs are finalized, any additional staffing decisions will be solidified. HCDD is in the process of developing job descriptions and postings for the additional staff listed above. As HUD considers the Action Plan and any necessary changes, HCDD will finalize any documentation needed to initiate the process to fill the positions. Thus, within 2 weeks of HCDD's receipt of HUD's approval of the Action Plan, HCDD will publish the appropriate notices for these available positions, as well as those needed for later stages. It is anticipated that positions will be filled as needed, with immediately needed positions being filled within 60 days of receipt of the Action Plan's approval and within 45 days of the publication of the specific opportunities.

HCDD has extensive experience and expertise administering the CDBG-DR program; therefore, it will be able to seamlessly transition into managing CDBG-DR 2015. Only minimal training will be necessary to update the staff on any different, new, or updated program requirements, since its leadership and team members have capitalized on opportunities for additional training made available by HUD through its multiple webinars streamed during March – June 2016. HCDD staff will be provided all training necessary to ensure that the activities funded under the required Action Plan are correctly administered.

Furthermore, as programs and projects are implemented, HCDD will assess the capacity of any additional program participants, such as vendors or contractors, and applicants, to successfully oversee the activity in which they are involved. Should it prove necessary, HCDD will accelerate efforts to increase the capacity of such entities bearing any responsibility for administering funding under CDBG-DR 2015. These efforts will be implemented to ensure a program participant has the specific skills needed to successfully oversee the activity.

## *Staffing*

### *Administration and Staffing*

Each HCDD division collaborates on recovery efforts; however, as stated previously, the HCDD understands the capacity needed to successfully manage a CDBG-DR award and remains committed to maintaining the necessary staffing levels to ensure compliance. Thus, HCDD expects to add approximately 14-16 team members, as detailed, above within various divisions, to provide additional support specific to the administration and management of CDBG-DR 2015. Leadership roles within the divisions responsible for the oversight of these key areas of management are identified below, along with additional key staffing designations.

#### *Director's Office*

**Tom McCasland, Interim Director**

**Jocklynn Keville, Public Information Officer – Public Relations**

**Roxanne Lawson, Division Manager – City Council Liaison**

#### *Single-Family Home Repair, Commercial, Public Services & Public Facilities*

**Joel North, Deputy Director – Single Family Home Repair, Commercial, Public Services, and Public Facilities**

**Melody Barr, Deputy Assistant Director – Public Services and Public Facilities**

**Vacant (Melody Barr), Division Manager – Public Services**

**Ana Patino-Martinez, Division Manager – Public Facilities**

**Deputy Assistant Director – Single Family Home Repair and Commercial/Multifamily**

**Ryan Bibbs, Division Manager – Commercial/Multifamily Housing**

**Michael Firenza, Program Manager – Commercial/Multifamily Housing**

**Kimesha Sonnier, Division Manager – Single Family Home Repair**

**Kevin Bingham, Program Manager – Single Family Home Repair**

**Kent Hadnot, Program Manager – Single Family Home Repair**

*Planning and Grants Management/ Support Services (Records Administration)*

**Brenda Scott, Deputy Director - Planning and Grants Management, Compliance and Monitoring, Support Services, and Records Administration**

**Keith Bynum, Assistant Director – Compliance and Monitoring (and Quality Assurance)**

**Derek Sellers, Division Manager – Grants Management**

**Angela Simon, Division Manager – Planning and Reporting**

**Alfred Henson, GIS Manager – GIS and Fair Housing Manager**

**Pirooz Farhoomand, Division Manager – Cross Cutting Compliance**

**Dean Carter, Division Manager – Compliance, Internal, and External Monitoring**

**Brandi Sullivan, Administration Manager – Records Management**

**Matthew Jenkins, Environmental Inv. IV – Compliance and Monitoring**

**Abigail Lozano, Environmental Inv. IV – Compliance and Monitoring**

*Finance & Procurement*

**Steve Rawlinson, Deputy Assistant Director – Finance and Procurement**

**Mary Owens, Financial Analyst IV – Finance**

*Additional Capacity*

Once the Action Plan required for CDBG-DR 2015 is finalized, the needs of specific programs will be solidified, including the staffing needs associated therewith. HCDD expects to need three additional Project Managers to support any housing, infrastructure, or economic revitalization programs, as noted previously.

Should the final programs delineated under the Action Plan for CDBG-DR 2015 require case management support, HCDD will hire case management staff or procure a qualified vendor to provide such services. Case management staff will be required to have knowledge, experience, and/or skills to work with applicants to determine eligibility and duplication of

benefits, as well as have a basic knowledge of data base management applications to support the management of applicant files. Case Managers will provide applicants with first-line communication to

- inform them of their obligation to provide a complete and accurate program application
- advise them on methods to obtain necessary eligibility documentation
- answer questions about program assistance procedures and anticipated timelines
- provide them with a well-informed intake experience

The applications and the documentation collected from applicants are highly sensitive and will be handled by case management staff in a confidential manner.

Although HCDD's team is experienced, it is mindful that successful implementation may require partnerships in certain technical areas such as environmental, case management, regulatory compliance, and/or engineering. Therefore, as with prior CDBG-DR awards, HCDD may need to procure professional services firms to provide additional support.

## Internal and Interagency Coordination

HCDD is a department comprised of multiple divisions, each playing a critical role in the successful management of CDBG-DR 2015. In order to facilitate effective communication between the different divisions carrying out the CDBG-DR 2015 Award activities, weekly meetings will occur. Specifically, division managers and senior managers meet weekly to discuss all issues associated with funded activities. Senior managers then communicate progress, concerns, developments, and milestones at weekly executive staff meetings held within HCDD. The executive leadership of HCDD also meets weekly with the Office of the Mayor of the City, to ensure continued effective communication and timely dialogue regarding funded activities.

The consideration of additional local and regional planning efforts is a key consideration in the implementation of activities funded by CDBG-DR 2015. Thus, HCDD will include various additional stakeholders in meetings to discuss planning related to CDBG-DR 2015. Specifically, it will include the City Council's Housing & Community Affairs Committee, members of the Texas Organizing Project, and the City Council liaison in monthly meetings, to discuss any proposed plans, updates, questions or concerns. Moreover, HCDD is ever-mindful of the valuable insight gained from listening to the public. During the weekly City Council Public Session, citizens will have an opportunity to provide input/comment regarding CDBG-DR 2015 and activities funded pursuant thereto, as well as any other concerns regarding City business. Together, these stakeholders will collaborate to build a more resilient community.

## Technical Assistance

The City and HCDD recognize the value of timely and pertinent technical assistance specific to the program requirements associated with the Award. Thus, HCDD's leadership prioritized the technical assistance meetings led by HUD on July 19th and July 20th. Numerous key HCDD staff attended and received valuable knowledge and guidance from these meetings. HCDD will pass along the training it received to any additional staff, both working on programs and projects funded by CDBG-DR 2015, as well as any staff not employed by HCDD at the time of Action Plan submission. In addition to sharing the knowledge gained from these meetings, HCDD shall continue to use the library and resources available on the HUD Exchange. Should HCDD determine that a knowledge gap exists or technical expertise is lacking, and to ensure timely recovery, HCDD will request technical assistance from HUD or its designee.

In an effort to facilitate the continued knowledge of its team, HCDD will build upon the CDBG-DR knowledge gained from its current programs and the initiative will be outcome-focused and continue the development of expertise to oversee CDBG-DR 2015.

Training and technical assistance will be provided to new staff and new participants to the program. It will be designed to help program participants or stakeholders navigate the complex housing and community development challenges, by equipping the entire team with the knowledge, skills, tools, capacity, and systems to implement CDBG-DR 2015 successfully. The ultimate goal, to empower team members by obtaining effective technical assistance and capacity building, will ensure that successful program implementation is sustained over the long-term.

## Accountability

The Office of the Mayor of Houston, Texas is the recipient of CDBG-DR 2015. The lead principal department responsible for the implementation of CDBG-DR 2015 is HCDD. Tom McCasland is Interim Director of HCDD and reports directly to the Mayor, who is the Chief Executive Officer of the jurisdiction.

Interim Director McCasland is an executive-level appointee who serves at the direct guidance of the Mayor. The Mayor, or his designee, will

- serve as authorized signatory of the legally binding CDBG-DR 2015 agreement (contract) between HUD and the City
- authorize major contracts and change orders
- certify to financial reporting

Daily oversight responsibility of this CDBG-DR 2015 will remain that of the Deputy Director of Planning and Grants Management, Compliance and Monitoring, and Records Management; the Deputy Director of Single-Family Home Repair, Commercial, Public Services, and Public Facilities; and the Deputy Assistant Director of Finance and Procurement. The divisions they manage will oversee program operations, compliance and monitoring, financial management, oversight of the HUD line of credit, and management of reporting and timely expenditures for CDBG-DR 2015. Specific oversight functions include, but are not limited to, applicant intake and eligibility, construction and contract management, policy and procedure, public information, and reporting. Dissemination of public information will be overseen and carefully coordinated by the Public Information Officer.

## Financial Controls

The City expends more than \$750,000 in Federal awards annually and thus maintains compliance with 2 CFR 200, Subpart F Single Audit Requirements. In accordance with these Single Audit requirements, an independent CPA firm evaluates whether the City's major programs are in compliance with laws, regulations, contracts, and rules applicable to each program. The most recent Single Audit report for fiscal year 2015 is included herewith for review at [Appendix B](#).

In the 2015 Single Audit Report, the City received 4 findings of significant deficiency. However, only one of these findings, No. 2015-003 Significant Deficiency in Internal Control over Preparation of Schedule of Expenditures of Federal Awards (SEFA) and Schedule of Expenditure of State Awards (SESA), was related to grants managed by HCDD. More detail and the corrective action taken is summarized below.

- An expenditure award of \$13 million was funded under a federal grant (CDBG-DR) that was passed through from a state government agency. This award was improperly included in the SESA instead of in the SEFA. Once the error was identified, it was corrected in the current fiscal year.
- A previously disallowed expenditure of \$3 million (State of Texas NSP) by a pass-through grantor was included as a federal expenditure in the current year's SEFA through a general journal entry. The error was corrected in the current fiscal year. Additionally, no reimbursement was sought from the funding agency.

The status of the remaining findings and associated corrective actions are provided for review at [Appendix C](#).

The Office of the City Controller maintains the annual financial statement for the City in full compliance with 2 CFR 200.510. The City's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2015 is included herewith at [Appendix D](#).

Further demonstration of HCDD's financial management controls, roles and responsibilities, and systems can be found in the Financial Management Procedures Manual and corresponding Guide for Review of Financial Review, submitted herewith at [Appendix E](#).

## Procurement Processes

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified at 2 CFR Part 200, consolidates and streamlines eight Federal regulations (including OMB Circulars A-110, A-122, and A-133) into a single, comprehensive set of administrative requirements. Specifically, this body of regulations aims to

- eliminate duplicative and conflicting guidance
- focus on performance over compliance for accountability
- provide consistent and transparent treatment of costs
- strengthen oversight
- reduce waste, fraud, and abuse

As an agency of a unit of local government, HCDD has adopted the requirements set forth at 2 CFR 200.318 - 200.326 into its specific procurement policies, which, along with the City's procurement procedures, are included herewith as [Appendix F](#). To ensure compliance with the new administrative requirements, HCDD reviewed the procurement processes of both the City and HCDD, with the goal being to ensure consistent practices, and to ensure fair and equitable treatment among contractors, as well as to safe guard the quality and integrity of HCDD's procurements. Where there is conflict between local and federal requirements, federal requirements will prevail. The resulting HCDD procedures comply with the requirements detailed in 2 CFR 200.318 - 200.326 (subject to 2 CFR 200.110, as applicable) with only slight revisions to HCDD's existing policies, to include the most recent guidance. The procurement policies ensure that HCDD

- has documented procurement procedures that conform to State and local laws and regulations and guidance in 24 CFR 200.318 - 200.326
- maintains oversight to ensure that contractors perform in accordance with the terms and conditions of their contracts or purchase orders
- maintains written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts

Pursuant to the *Federal Register Notice, Part III, Management and Oversight of Funds, Section 2 (a ) Procurement*, HCDD has provided the chart below identifying the sections within its Procurement Policy that correlate to the requirements of 2 CFR 200.318 – 200.326 and the responsible division for each procurement activity.

Federal citation	Short Title	HCDD Procurement Policy and Procedures (HCDD P/P) (July 1, 2016)	HCDD Responsible Division
2 CFR 200.318(a)	General Documented Procurement Standards	HCDD P/P – <i>documented procedures updated 7/1/16</i>	HCDD Departmental Purchasing Unit (DPU)
2 CFR 200.318(b)	Contractor Oversight	HCDD P/P – p.7; HCDD Monitoring Plan – Appendix H  (See also City of Houston Procurement Manual; p. 101-104)	HCDD Compliance Division – Contract Monitoring Group
2 CFR 200.318(c)	Conflict of Interest provisions	HCDD P/P – p.7-8 (See also City of Houston Procurement Manual; p. 6-7)	HCDD- All Divisions
2 CFR 200.318(i)	Maintain Records detailing history of procurement	HCDD P/P – p. 9, “Records Management”	HCDD – DPU and HCDD Compliance and Records Divisions
2 CFR 200.319	Competition	HCDD P/P – p. 6, “Determine Procurement Method”  (See also City of Houston Procurement Manual; p. 3-110)	HCDD – DPU
2 CFR 200.320	Methods of Procurement to be Followed	HCDD P/P – p. 6, “Determine Procurement Method”  (See also City of Houston Procurement Manual; p. 69-72, 79-82)	HCDD – DPU
2 CFR 200.321	Contracting with M/WBE, etc.	HCDD P/P – See “Authority” referencing inclusion of A.P. 5-4; see p. 4, p. 6; see Appendix A, p. 10	HCDD - DPU
2 CFR 200.323	Contract Cost and Price Checklist	HCDD P/P- See Appendix A, p. 10  (See also City of Houston Procurement Manual; p. 58-59)	HCDD- DPU
2 CFR 200.324	Federal Awarding Agency or pass-through Entity Review	(Compliance with this regulation to be achieved through execution and implementation of grant agreement with HUD)  (See also City of Houston Procurement Manual; p. 75-78)	HCDD - DPU
2 CFR 200.325	Bonding Requirements	HCDD P/P – See Appendix A, p. 11	HCDD - DPU
2 CFR 200.326	Federal Contract Provisions	HCDD P/P – See Appendix B  (See also City of Houston Procurement Manual; p. 75-78)	HCDD - DPU

## Procedures for Prevention of Duplication of Benefits

In accordance with the Robert T. Stafford Act, government entities providing disaster recovery assistance are required to prevent and rectify any duplication of benefits (DOB) by establishing and implementing strong policies and procedures regarding the same. As a previous recipient of CDBG-DR funds, HCDD currently has in place policies and procedures to conduct data checks, collect verifiable documentation from individual applicants, and coordinate with private insurance to conduct a thorough verification of benefits review.

HCDD has many years of experience with verifying assistance from: FEMA Individual Assistance (IA); FEMA National Flood Insurance Program (NFIP); Private Insurance; Small Business Administration (SBA); and other federal or state-level sources of assistance. Under federal law, duplication of benefits received by any of these sources must be deducted from a program applicant's eligible award, which is based on an estimated cost of repairs. HCDD only considers payout received for structural repairs, not contents or personal items. Charitable assistance received in the form of volunteer labor service, instead of money, for property repairs from any source, may be considered a duplication of benefit.

HCDD requires all program applicants to sign a Subrogation Agreement upon application, permitting the City, through HCDD, to recover any future insurance payout that may be issued to the applicant after the time of original award. Where additional DOB is received by the applicant and paid out, the City, through HCDD, enforces the terms of the Subrogation Agreement to collect repayment.

The existing duplication of benefits policies and procedures, included herewith at [Appendix G](#), will be adapted from the current HCDD policies and procedures, to achieve compliant implementation of the activities funded by CDBG-DR 2015. As a direct Grantee for CDBG-DR 2015, HCDD will establish data share agreements with federal entities, to ensure ongoing exchange of data throughout the life of the program, supporting accurate award calculation.

As detailed in its current duplication of benefits policies and procedures, HCDD requires all applicants to disclose previous assistance and provide supporting documentation. Documentation acceptable to HCDD will be required to demonstrate the cost and type of repair conducted to the storm-damaged property.

HCDD's team will access the data files, which include previous benefits paid for real property repairs from FEMA, SBA, National Flood Insurance Program (NFIP), private insurance, or any other source disclosed by applicant, to determine if there was a previous benefit paid to the applicant(s), or any member of the household, to repair structural deficiencies caused by the floods. All sources of previous benefits paid will be requested from the applicant(s), or any member of the household, and must be disclosed on the

application. Verification may be obtained through homeowner(s) documentation, copies of bank records, if required for validation, and/or information sharing with SBA and FEMA, whenever possible.

## Procedures to Determine Timely Expenditures

HCDD has existing financial management procedures that include processes for financial reporting, recordkeeping, accounting systems, payment procedures, and audit requirements. Federal and state grant awards received by the City, and administered through HCDD, are tracked and managed through SAP (Systems, Applications, and Processing), the City's primary accounting system. All budgets and financial transactions are tracked and processed using this software, within which, accounting protocols have been set up to ensure segregation of duties. HCDD currently processes transactions for existing federal programs within SAP and submits reimbursement requests within an average 3 business days. Financial transactions will continue to be managed utilizing SAP for CDBG-DR 2015, to ensure timely reimbursement.

To support program and contract management, HCDD currently utilizes a case management system. HCDD expects to continue utilizing this system or one of comparable nature pending vendor selection for program implementation and utility of designing a customized case management system, moving forward.

HCDD does not anticipate the use of subrecipients to carry out the activities funded by CDBG-DR 2015. Through the procurement of qualified vendors/contractor, HCDD will enhance current staff capacity to provide seamless applicant service. Vendors/contractors will be monitored according to regulatory requirements, contract deliverables, and milestones, and shall receive technical assistance as needed. HCDD will consider indicators of performance such as expenditures, time elapsed since last recipient draw, time elapsed since recipient grant award, and percent of recipient grant drawn, compared with progress on the funded project, as indicated by recipient status reports.

HCDD will adhere to the six year expenditure period and will track projected expenditures based on key data points, beginning with the date CDBG-DR 2015 agreement is signed. HCDD will submit a complete projection of expenditures within 120 days of submission of the initial Action Plan through the DRGR (Disaster Recovery Grant Reporting) system. Revised projections will be sent to HUD when program changes impact projected outcomes, funding levels, and recovery timelines.

## Procedures to Effectively Manage Funds

HCDD has refined procedures on compliance and monitoring, which ensure compliance with cross-cutting regulatory requirements for the ongoing administration of HUD programs, such as CDBG, HOME, HOPWA, ESG, and NSP. The comprehensive monitoring plan for all HCDD activities is included herewith at [Appendix H](#). This monitoring plan details the reasons monitoring reviews occur, timelines, specific approach to monitoring, documentation requirements, and corrective actions necessary to resolve issues or concerns discovered through a review.

HCDD has a dedicated Compliance Division to conduct long-term monitoring over ongoing programs. HCDD's Compliance Division is comprised of three sections: Contract Monitoring, Contract Compliance, and Real Estate Compliance. All 3 of these sections ensure funding recipients, developers, contract service providers, and all contracted agencies adhere to city, state, and federal regulations and requirements when operating, facilitating, or developing HCDD administered programs and activities. In order to effectuate the necessary oversight, these sections utilize the aforementioned HCDD Monitoring Plan, which includes monitoring procedures, scheduling, and standards, to provide HUD-funded activity compliance and performance reviews for all funding recipients, including internal HCDD program operations. To ensure timely monitoring of recipients, staff conducts monitoring and compliance reviews based on predetermined scheduling. However, at times staff may use circumstantial monitoring, which is the monitoring of programs and projects related to an acute or chronic matter uncovered by an external audit or necessitated by the possibility of fraud, waste, or mismanagement. The monitoring process reviews consist of entrance meetings, analysis of documentation, client interviews, exit meetings, development and issuance of compliance review reports, and if necessary, follow-up reviews and letters.

## Procedures to Maintain a Comprehensive Website

HCDD has a public website with centralized access to services and programs administered by the Department. HCDD currently has an existing Hurricane Ike Disaster Recovery webpage dedicated to housing all requisite program information, eligibility and application information, and public outreach documents. Maintenance of the site is overseen by the Public Information Office, where the webmaster controls regular posting of approved content and general site function.

HCDD's website, specific to CDBG-DR 2015, will be designed with ADA best practices for accessibility and readability in mind. Content and webpage layout will be designed for adaptive aids use. The use of color, spacing, limited use of "click here" labeling, and the incorporation of ALT tags to identify the presence of alternate text, such as graphics, will be incorporated for adaptive aid technology. HCDD will also support accommodation for citizens with limited English proficiency and will publish program documents to the public website in languages other than English, based on the needs of non-English speaking communities.

Content for the new webpage will be generated by HCDD staff at the program level, for management review and final approval by the Public Information Officer and HCDD Interim Director. As set forth in the policy and procedure included herewith at [Appendix I](#), at a minimum, the following program information stemming from activities funded by CDBG-DR 2015 shall be included on this specific website

- Program Design and Reporting
  - Draft Action Plan specific to CDBG-DR 2015 will be posted for no less than 14 calendar days to solicit public comment before being submitted to HUD
  - Final approved Action Plan will be posted to a permanent section on the website designated for Action Plans and Amendments
  - Substantial Action Plan Amendments
  - Non-substantial Action Plan Amendments
  - Quarterly Progress Reports (QPRs)
- Citizen and Stakeholder Participation
  - The Citizen Participation Plan will reside permanently on the website
  - Announcements of public hearings will be posted to the website
  - Contact information for various HCDD divisions enabling consistent opportunity for citizens and program participants to raise inquiries or complaints will be provided through
    - the option of an electronic form
    - City general email address inbox
    - relevant division's direct phone number

- TDD line relay operator
- City offices postal address

## Procedures to Ensure Timely Information on Application Status

The specific activities funded by CDBG-DR 2015 will be finalized soon and set forth in an Action Plan specific to the needs assessment in progress. Should the needs assessment indicate that housing repair programs are advisable, HCDD will utilize its current plan for providing timely information to individual applicants on the status of their applications. Specifically, HCDD would inform program applicants about application status and the need for supporting documentation, either through identified program managers, other HCDD team members, or intake/eligibility specialists. Printed and electronic materials, publications, direct contact, and placement of flyers/posters in public facilities would be specific mediums used to provide timely information. Program applicants will have the opportunity to be provided with timely communication about their application status at any time during operational hours by contacting the designated HCDD team member via telephone, leaving an after-hours voicemail message to be returned the following business day, or by submitting an email inquiry.

As set forth in [Appendix G](#), included herewith, applicants will receive timely information regarding the status of their application throughout the eligibility process. HCDD team members will be available for face-to-face intake meetings, as requested by the applicant. Accommodations can be made ahead of time for applicants with physical disabilities and/or a need for translation services. Proactive communication from HCDD, regarding application status, will occur on a frequent basis during initial intake, to request missing eligibility documentation and verify information entered on the application form. Once all documentation is received, verbal communication may subside until the applicant is contacted through an official letter with information regarding eligibility. Once an eligibility determination has been rendered, an applicant shall have the opportunity to appeal the determination and provide additional documentation to support their appeal.