FY 2020 CDBG – ESG PROPOSALS
## June 12, 2019 Training Session

CITY OF EVANSVILLE-DEPARTMENT OF METROPOLITAN DEVELOPMENT

812-436-7823

COMMUNITY DEVELOPMENT STAFF

- ❖ Kelley Coures – Executive Director
- ❖ Jane Reel – Deputy Director
- ❖ Lisa Angermeier – Finance Officer
- ❖ Kolbi Jackson – Community Development Coordinator
- ❖ Donna Bailey – Community Development Specialist
- ❖ Gayl Killough – Community Development Specialist
- ❖ Beth Purtzer – Community Development Specialist
- ❖ Dalton Boszé – Community Development Specialist
- ❖ Glenn Schoenbaechler – Property Inspector

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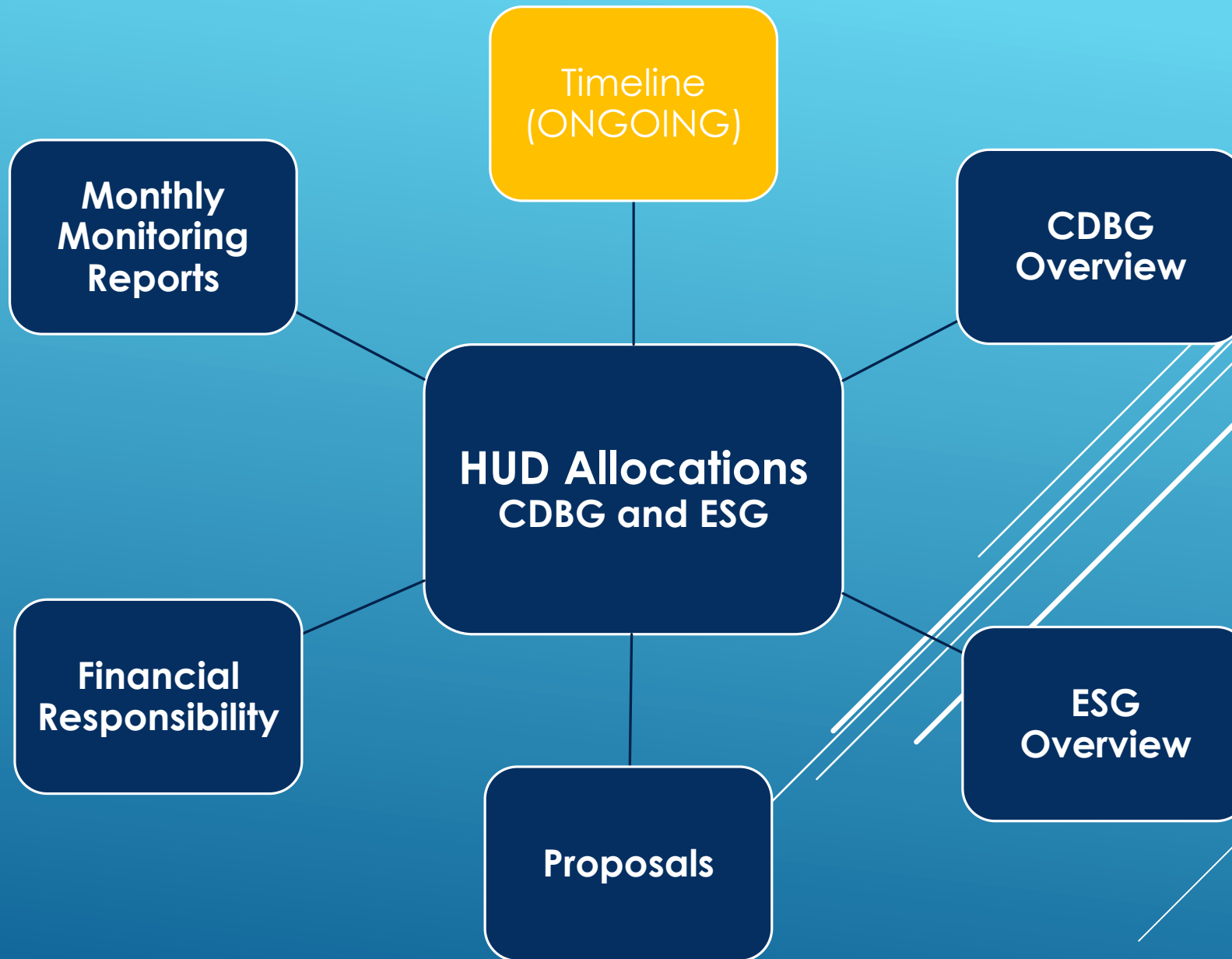
2020 Program Year: July 1, 2020 to June 30, 2021

JUNE 2019

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2020 CDBG/ESG GRANT TRAINING

2020 CDBG/ESG PROPOSALS AVAILABLE

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JULY 2019

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14	15	16	17	18	19	20
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Final day to contact CD Staff for Proposal Review

2020 Approved CDBG & ESG Proposals due
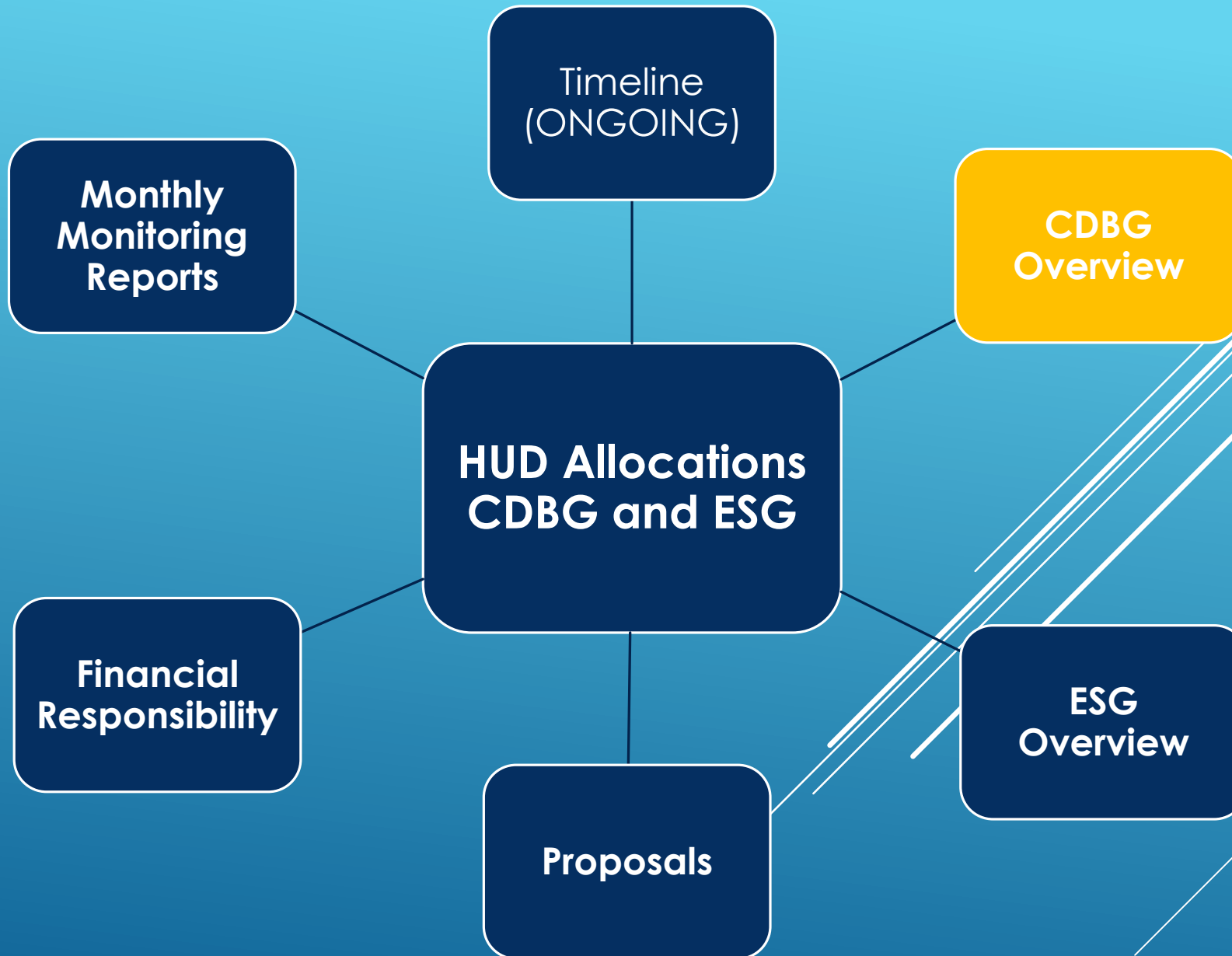
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2020 PROPOSAL SCHEDULE CONT.

January 2020

			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
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Tentative date for CAC Presentations

March 2020

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Tentative date for City Council Presentations

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Timeline (ONGOING)

Monthly Monitoring Reports

CDBG Overview

HUD Allocations CDBG and ESG

Financial Responsibility

ESG Overview

Proposals

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HUD RESOURCES

- The City of Evansville must follow HUD Regulations in the use of CDBG funds (Subpart A 570)
- Guidance and links to HUD regulations can be found at the City of Evansville, Community Development website:

- www.evansville.in.gov/communitydevelopment

CDBG REVIEW

National Objectives
Activities funded with CDBG must meet one of HUD's 3 National Objectives

1. Benefit Low- and Moderate Income Persons/Households

2. Eliminate Conditions of Slum and Blight

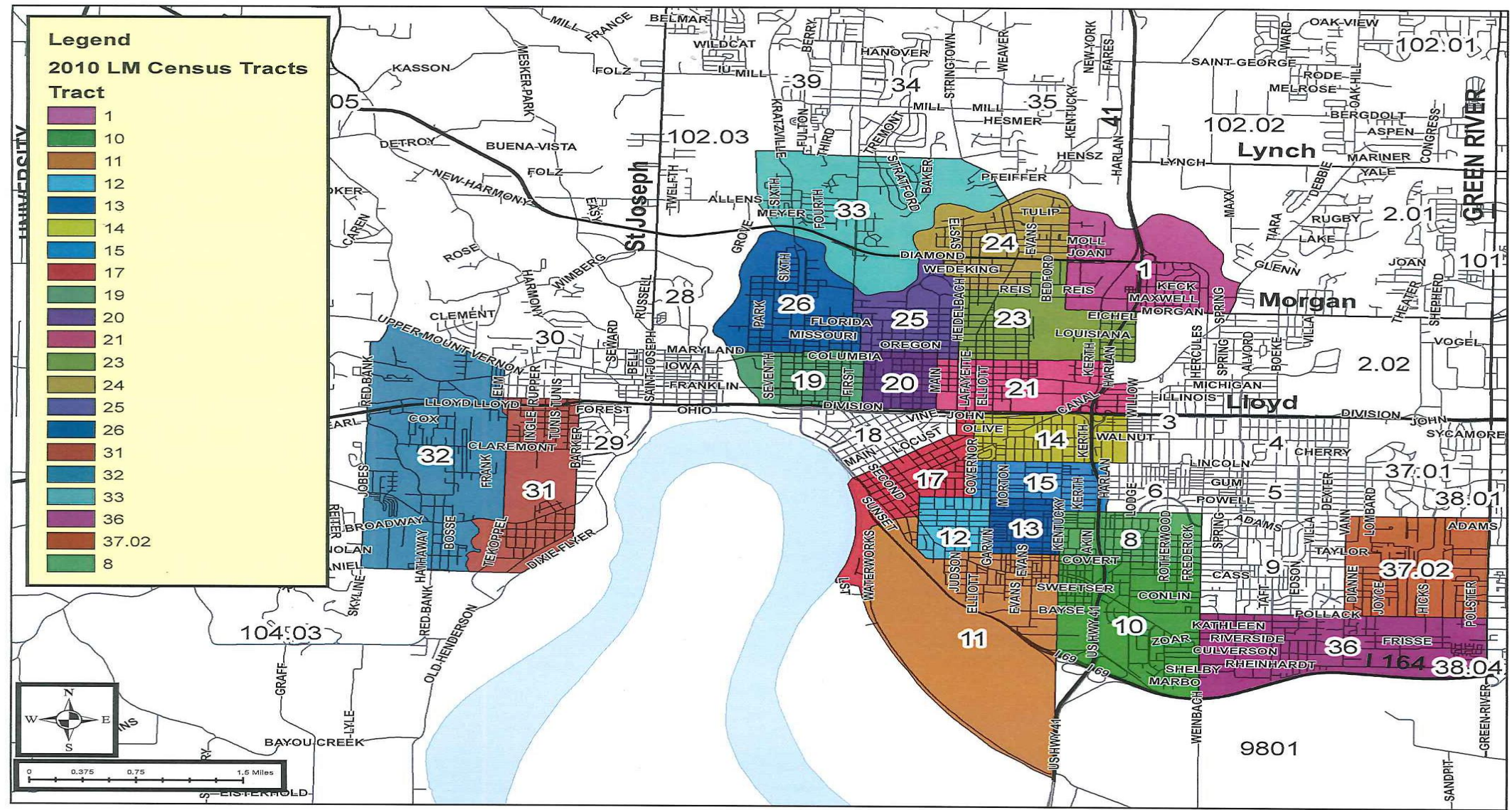3. Meet a Community Urgent Need (NA)

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CDBG REVIEW CONT.

National Objectives
1. **Benefit low-and moderate-income (LMI) persons/ households**

   a) Area benefit activities
- This is an activity which benefits all residents in a particular area, where at least 51% of the residents are LMI persons.

LOW-MOD CENSUS TRACTS

2019 HUD INCOME GUIDELINES

For the Evansville Metropolitan Statistical Area
Median Income - $67,200
As of May 20, 2019

Number in Household	30 % of Median (Extremely Low Income)	50% of Median (Very Low Income)	80% of Median (Low Income)
1 Person	14,150	23,550	37,650
2 Persons	16,910	26,900	43,000
3 Persons	21,330	30,250	48,400
4 Persons	25,750	33,600	53,750
5 Persons	30,170	36,300	58,050
6 Persons	34,590	39,000	62,350
7 Persons	39.010	41,700	66,650
8 Persons	43,430	44,400	70,950

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CDBG REVIEW CONT.

National Objectives continued

b) Limited Clientele (LMC) 51% LMI

- Presumed Benefit (LMC/PB) Must serve certain clientele exclusively
  - Abused children
  - Elderly (62 years or older)
  - Battered spouses
  - Severely disabled adults
  - Illiterate adults
  - Persons living with HIV/AIDS
  - Migrant farm workers
  - Homeless persons

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CDBG REVIEW CONT.

National Objectives continued

   c) Housing Benefit (LMH)

- Single Family – 100% LMI
- Multi-Family – 51% LMI

   d) Job Creation/Retention (LMJ)

- 51% of jobs taken by or available to LMI persons

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CDBG REVIEW CONT.

National Objectives continued

2.   Prevent or Eliminate Slum or Blight

    a) Area Basis (SBA)
- areas determined by local ordinance

    b) Spot Basis (SBS)
- Properties determined by local ordinance

CDBG REVIEW CONT.

National Objectives continued

3. Meet a Community Urgent Need

a) This objective is designed for activities which alleviate emergency conditions such as hurricanes, earthquakes, tornadoes etc.

CDBG ELIGIBLE ACTIVITIES.

- Acquisition of Real Property
- Clearance
- Code Enforcement
- Construction of Housing
- Disposition
- Homeownership Assistance
- Interim Assistance
- Loss of Rental Income
- Microenterprise Assistance
- Miscellaneous Other Activities

- Planning and Capacity Building
- Privately-Owned Utilities
- Program Administration Costs
- Public Facilities and Improvements
- Public Services
- Rehabilitation
- Relocation
- Special Activities by CBDOs
- Special Economic Development Activities

CDBG INELIGIBLE ACTIVITIES.

The following activities may not be assisted with CDBG funds under any circumstance:
- Buildings or portions thereof, used for the general conduct of government
- General government expenses
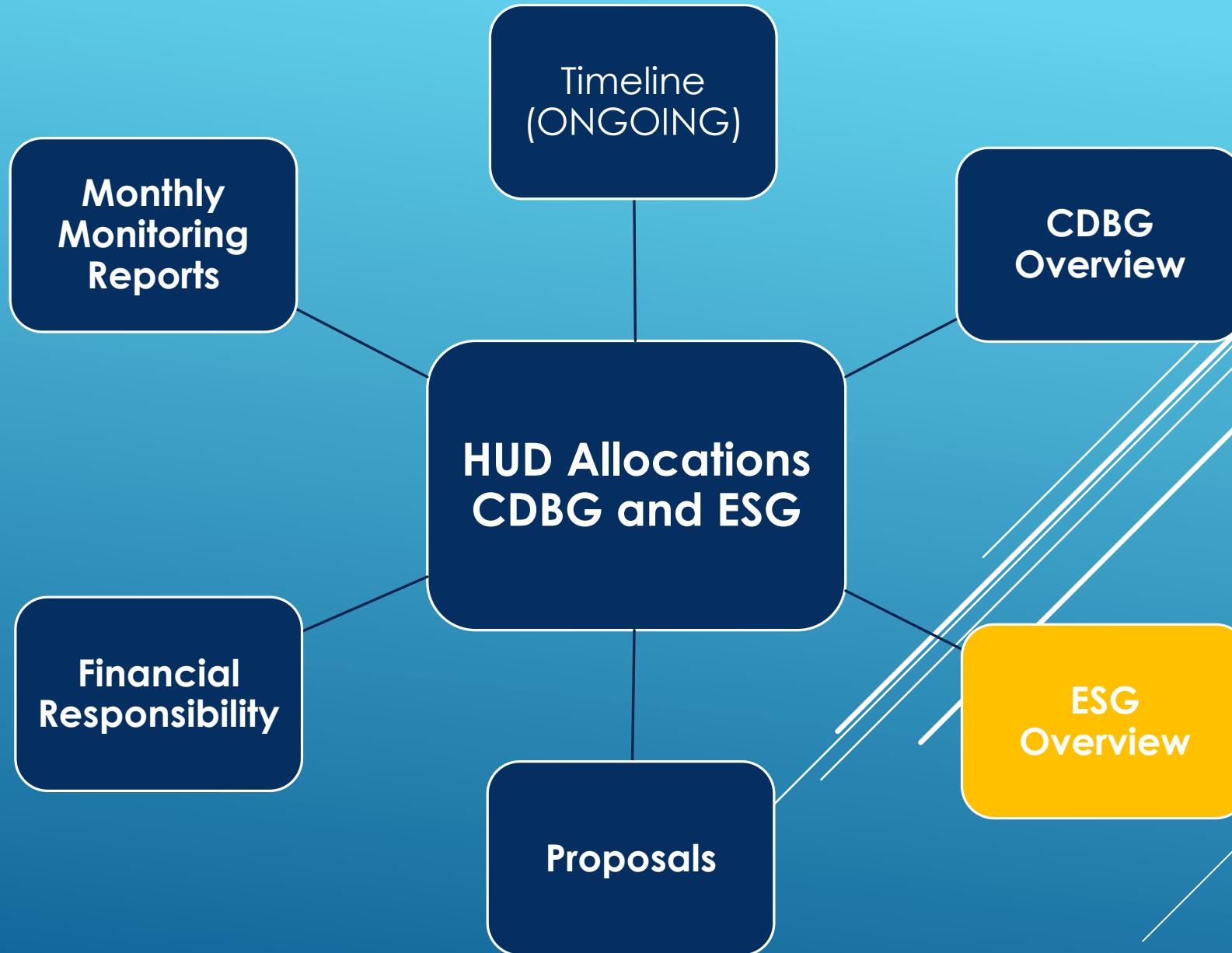- Political activities

CDBG INELIGIBLE ACTIVITIES CONT.

The following activities may not be assisted with CDBG funds unless authorized as Special Economic Development Activities under §570.203 or when carried out by a Community Based Development Organization (CBDO) under the provisions of §570.204.

- Purchase of equipment.
  - Construction equipment.
  - Fire protection equipment.
  - Furnishings and personal property.
- Operating and maintenance expenses.
- New housing construction.
- Income payments.

SUMMARY OF CDBG ACTIVITIES

Eligible activities are so broad that it is easy to forget that some things cannot be done under the program.

Some activities will require an Eligibility Review by CD Staff to provide guidance in determining the eligibility of other activities frequently associated with housing and community development.

Timeline (ONGOING)

Monthly Monitoring Reports

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EMERGENCY SOLUTIONS GRANT (ESG)

- In Evansville there are 445 individuals in shelter or transitional housing on any given night.

- 50-60 homeless individuals on the street or places not meant for habitation.

- More than 2000 homeless served annually.

- Shelters stay at maximum capacity all year.

- HUD's goal is to lessen the length of stay in shelter and move to permanent housing faster.

- Coordinated Entry Assessment prioritizes the homeless.

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ESG REGION 12 GOALS

- The Region 12 Charter adopted on 12/14/2012 includes these 11 goals:

1. Decrease shelter stays by increasing rapid rehousing to stable housing.

2. Reduce recidivism of households experiencing homelessness.

3. Decrease the number of Veterans experiencing homelessness.

ESG REGION 12 GOALS CONT.

4. Decrease the number of persons experiencing Chronic Homelessness.

5. Decrease the number of homeless households with children.

6. Increase the percentage of participants in Continuum of Care funded projects that are employed at exit to 38 percent or higher.

7. Increase persons experiencing homelessness's access to mainstream resources.

ESG REGION 12 GOALS CONT.

8. Collaborate with local education agencies to assist in the identification of homeless families and inform them of their eligibility for McKinney-Vento education services.

9. Improve homeless outreach and triage to housing and services.

10. Improve HMIS data quality and coverage, and use data to develop strategies and polices to end homelessness.

11. Develop effective discharge plans and programs for individuals leaving State Operated Facilities at risk of homelessness.

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ESG ELIGIBLE ACTIVITIES

Component	Serving:	
	Those who are Homeless	Those who are at risk of Homelessness
1. Street Outreach	√	
2. Emergency Shelter	√	
3. Homelessness Prevention*		√
4. Rapid Housing	√	
5. Administration	√	√
Data Collection:		
6. Homeless Management Information System (HMIS) (provided by IHCDA)	√	√

Details and instructions are located at 24 CFR 576 – Subpart B – Program Components and Eligible Activities (24 CFR 576.100 – 109)
* Default to Rapid Re-Housing

ACCOUNTING RECORDS

Source documentation required (match/leverage included):

All expenditures must be supported by appropriate source documentation: copies of canceled checks, invoices, purchase orders, receipts, time distribution reports, bank statements, complete lease agreements, eviction notices, notices of termination, etc.

Also, ensure program costs were:

- ✓ Expended on eligible items
- ✓ Incurred for proper time period
- ✓ Approved by appropriate officials
- ✓ Actually dispersed

RECORD RETENTION

- Recipients of federal funds are responsible for proper recordkeeping and retention. Records should be sufficient to establish an audit trail for all transactions involving federal funds. An audit trail for federal funds originates with the preparation of the grant proposal or contract proposal, and includes adequate records to support statements in the proposal document.

- ESG records must be kept <u>5 years after the conclusion (Close-out) of the program</u>: effectively 6 years.
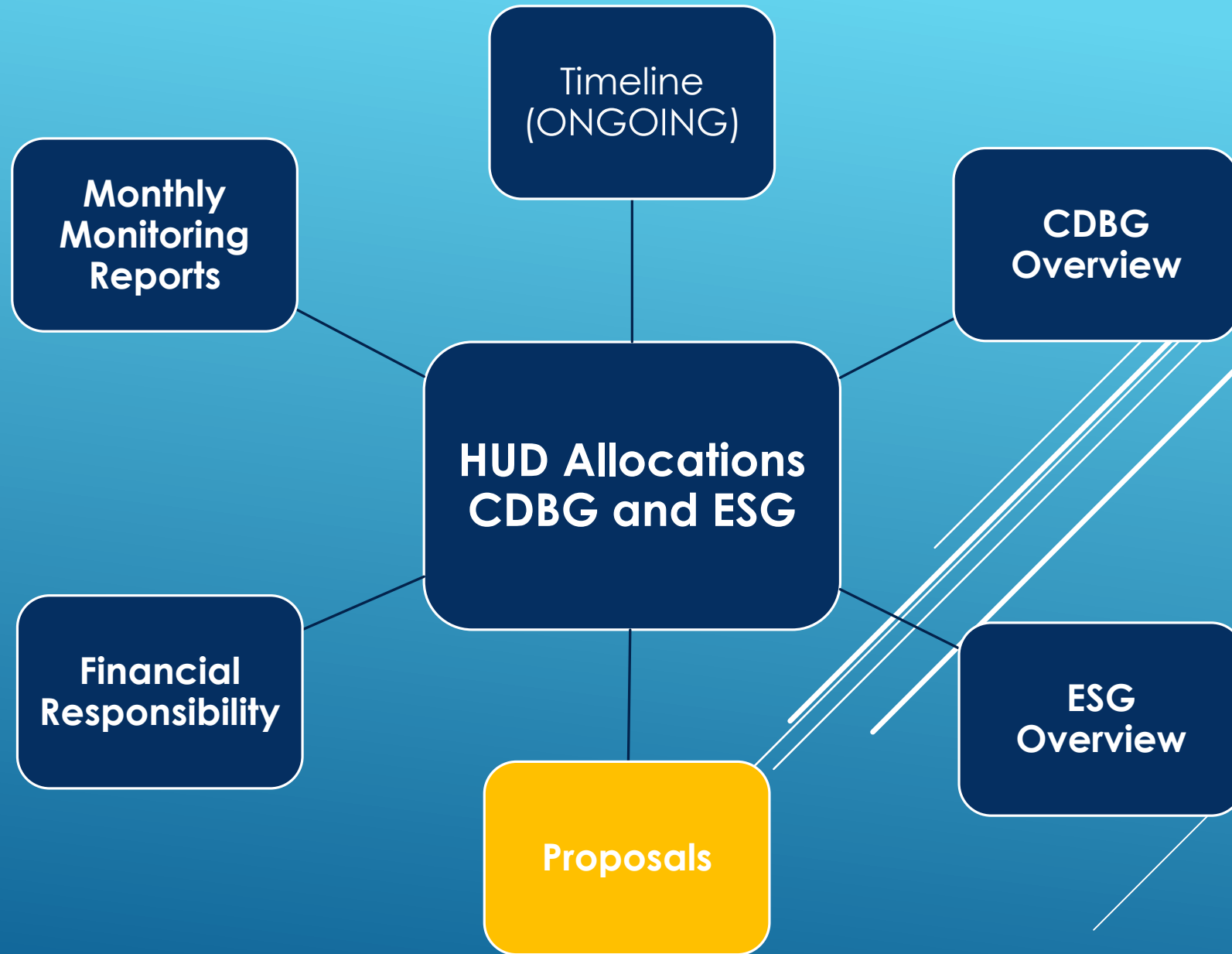
MATCH REQUIREMENTS

- Each ESG sub-recipient, must match funding provided with an equal amount of funds from other sources.
- Matching funds must be related to expenditures occurring <u>after the date of grant award</u>.
- *Funds used to match a previous ESG grant may not be used to match a subsequent grant award.*

24 CFR 576.201 contains match requirements

MATCH REQUIREMENTS (CONT'D)

In general, matching funds provided may consist of:

- Amount of funds from other sources;
- Salary paid to staff (not included in the award) to carry out the project of Grantee;
- The value of any donated material or building, or of any lease, calculated using a reasonable method to establish a fair market value;
- Time contributed by volunteers; and
- Through matching funds or voluntary efforts provided by any recipient or project sponsor.

Timeline (ONGOING)

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PROPOSAL

- The 2020 CDBG and ESG proposals will be available on the City of Evansville, Community Development website by June 17, 2019:

- www.evansville.in.gov/cdfederalprograms

- The Conflict of Interest Statement will also be available at this location.

PROPOSAL TIMELINE

- Agency **_Mandatory_** Appointment with CD staff for Proposal review: June 17th to July 12th.

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- 2019 Approved Proposals due: July 19th

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PROPOSAL SUBMITTAL PROCESS

▸ Attendance at Proposal training session is mandatory

▸ Proposals available on City website by June 17th

▸ Complete Proposal and schedule review appointment with corresponding CD Specialist

▸ After review appointment with CD Specialist, make edits as needed and submit **Word format ONLY** copy of proposal via email to Specialist. Include all supporting documentation as required with final proposal

▸ Deliver final, signed copy of proposal with $15.00 filing fee **(checks required, no cash please)** for **each** proposal submitted to DMD, Room 306 Civic Center Complex by 4:00 pm on July 19th.

SUMMARY OF PROPOSAL:

Both the CDBG and ESG Proposals are divided into (4)sections.

General Information

Project information

Financial

Affiliations and Board of Directors Information

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GENERAL INFORMATION

CDBG PROPOSAL

- # 3) IRS Determination letter and Federal ID# or 501 (c) (3) or (4) certification

- # 3a) CBDO certification letter

- #4) SAM registration verification

ESG PROPOSAL

- # 3) IRS Determination letter and Federal ID# or 501 (c) (3) or (4) certification

- #4) SAM registration verification

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PROJECT INFORMATION

CDBG PROPOSAL

- ▶ # 10) Needs and Priority – Creating 2020-2024 Con plan – provide anticipated needs and priority

- ▶ # 11a) Income verification

- ▶ #12) Anticipated Accomplishment and Expenditures

ESG PROPOSAL

- ▶ # 9) Needs and Priority

- ▶ # 10a) Income verification

- ▶ #11) Anticipated Accomplishment and Expenditures

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FINANCIAL

CDBG PROPOSAL

- # 16) Audit Report
- # 22) Resumes
- # 23-24) Sources and Uses Statements

ESG PROPOSAL

- # 15) Audit Report
- # 20) Resumes
- # 21) Sources and Uses Statements

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AFFILIATIONS AND BOARD OF DIRECTORS INFORMATION

CDBG PROPOSAL

- # 28) MOU's if applicable
- # 29) Complete list of board members and Policy and Procedures for Board member participation

ESG PROPOSAL

- # 26) Complete list of board members and Policy and Procedures for Board member participation
- # 27) Board target formerly homeless individuals

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ADDITIONAL DOCUMENTS

▸ There are several additional documents to be included with this years grant proposals

  ▸ Separate Verification Page – Original signature required

  ▸ Conflict of Interest Questionnaire – complete one for each program submitted

  ▸ Summary Sheet for CDBG and ESG – This sheet provides details regarding each question and should help agencies complete proposals with as little issue as possible.

  ALL DOCUMENTS LISTED ABOVE WILL BE AVAILABLE ON THE CITY WEBSITE AS OF JUNE 17, 2019.

SUMMARY OF REQUIRED ATTACHMENTS

▸ Current 501 C (3) or 501 C (4) Documents

▸ CBDO Certification letter (if applicable)

▸ Most recent Audit report

▸ Resumes, etc….

▸ Current MOU's (if applicable)

▸ Complete List of Board Members

▸ Policy and Procedures for Board Member participation

▸ Conflict of Interest Statement

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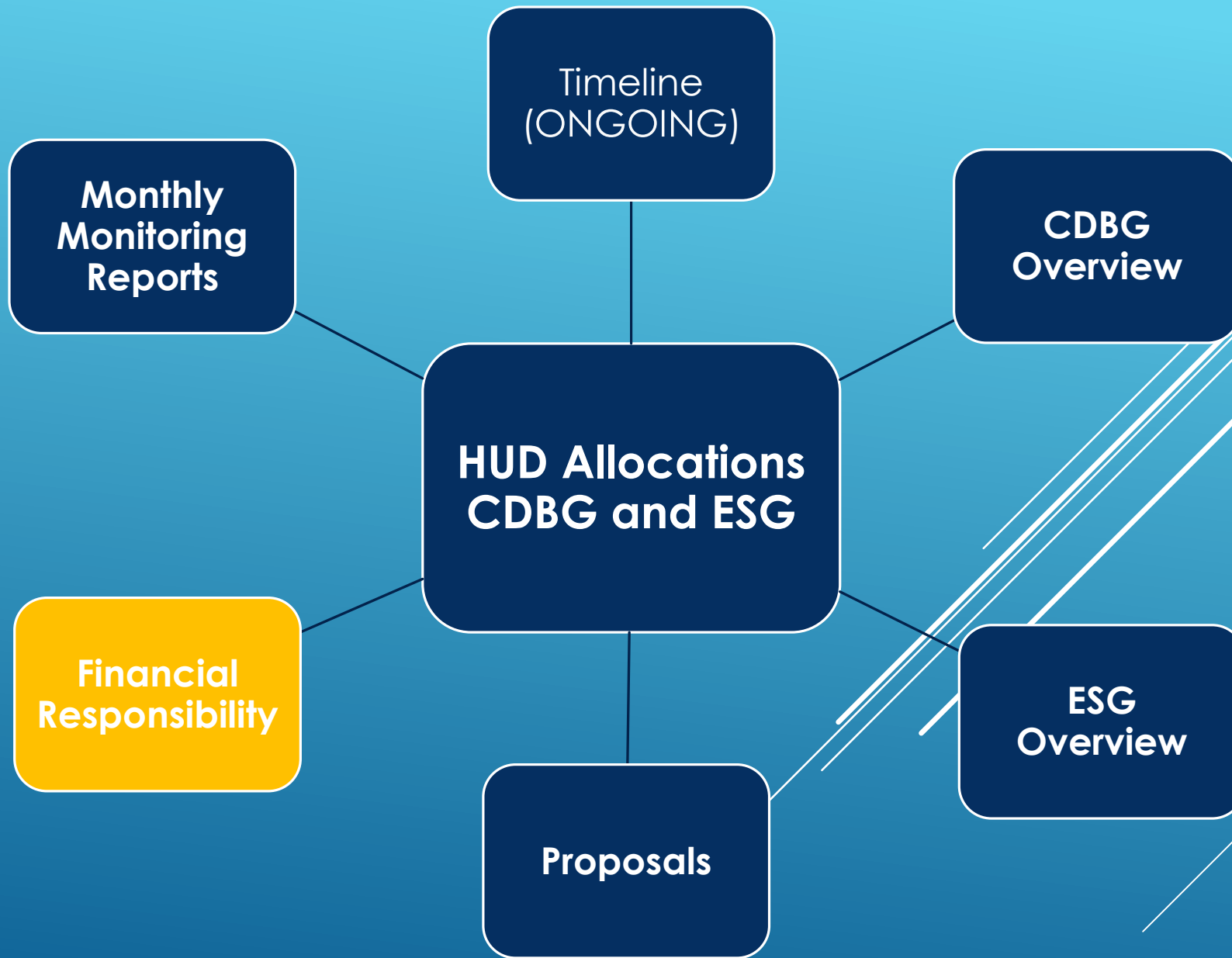
Lisa Angermeier, Finance Officer, DMD

FINANCIAL TRAINING OUTLINE

- **Subject 1: Change Orders**
- **Subject 2: Invoicing**
- **Subject 3: Reconciliation Responsibilities**
- **Wrap-up**

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SUBJECT 1: CHANGE ORDERS

Use of approved Change Order form:

▶ With new accounting processes and Grant Year changes, Change Orders should rarely be needed.

▶ Fully executed amended contracts are required for all Change Orders.

▶ As with Purchase Orders, no work should proceed until the Change Order has been completely processed.

SUBJECT 2: INVOICING

▸ Procedure and Guidelines

  ▸ See 'How to Properly Submit Claims for Payment' Updated May 2019 instructions.

  ▸ City policy is to pay bills using original or copies of invoices, not statements or other documents. The City follows Indiana State Board of Accounts guidelines for accounts payable processing

    ▸ One on One Agency Training: HOW TO PROPERLY SUBMIT CLAIMS FOR PAYMENT will be held when first contracts for the new Grant Year are signed. This is to be held with person(s) responsible for preparing claims and person(s) responsible for signing claims.

▸ Time Tracking

  • When an agency employee works on more than one program (project), it is the agencies responsibility to provide time tracking documentation.

  • Detailed spreadsheets need to be provided to track hours worked by each agency employee for each project and show total hours worked by employee during the pay period.

    • If documentation is not provided, invoice(s) will be returned to agency.

  • All time sheets/spreadsheets should be signed by agency employee and supervisor.

SUBJECT 3: UNDERSTANDING RECONCILIATION RESPONSIBILITIES

- Grantees should be maintaining and reconciling their own books.
  - The Community Development (CD) staff for each grant will also be keeping a set of books and reconciling to the revenues (grant funds) and expenditure reports when they are issued.

- Monthly Closing
  - An accounting close means entries can not be posted to closed periods.
  - The Finance Department will gather open invoices, additional revenue and expenditures after the calendar period end and process adjusting entries and corrections.
  - The Finance Department projects to close a month 25-30 days after the calendar period end. Year end takes a little longer.

WRAP-UP

▸ Summarize important points.

 ▸ When a change order is needed, <u>no</u> work to begin until notification from CD staff has been received.

 ▸ DMD follows Indiana State Board of Accounts and HUD guidelines for agency invoice processing.

 ▸ Time tracking has many rules and regulations.

▸ Review Handout: HOW TO PROPERLY SUBMIT CLAIMS FOR PAYMENT Updated May 2019.

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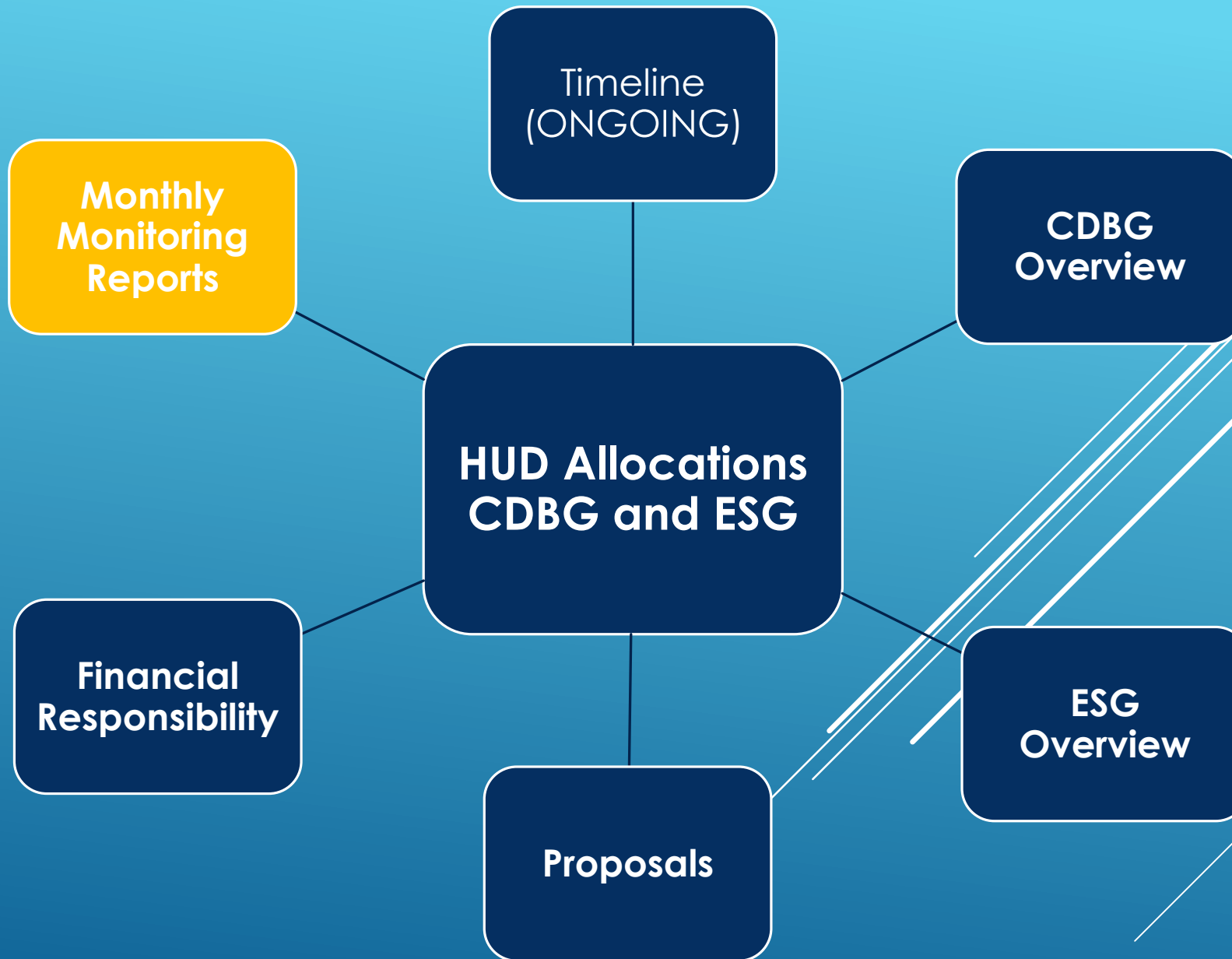
MONTHLY MONITORING REPORTS

CDBG MONTHLY MONITORING REPORTS

There are (2) versions of the CDBG Monthly Monitoring Report which will be provided once each project has been funded.

- Limited clientele – Presumed Category Data
- Limited clientele – Client Income Data

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PRESUMED CATEGORY MONITORING REPORTS

The Monthly Monitoring Report for Presumed Category Programs contains tracking information as defined by HUD.

HUD Defined Presumed Category	Monthly	Yearly
Abused Children		
Battered Spouses		
Disabled Adults		
Homeless Persons		
Illiterate Adults		
Persons with AIDS		
Migrant Farm Workers		
Elderly Centers		
Other Elderly Services		
Total*		

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CLIENT INCOME MONITORING REPORTS

The Monthly Monitoring Report for Client Income defined Programs contains tracking information as defined by HUD.

Income level based on Area Median Income for new/unduplicated served	Monthly	Yearly
0-30%		
31-50%		
51-80%		
81% +		
Total* new/unduplicated served*		

DATA TRACKING TOOLS

The Monthly Monitoring Report for Client Income and Presumed Category programs contains (2) additional data collections items.

1.) Does your agency keep a waiting list for this program? Yes, No or Not Applicable

   If a waiting list is kept, how many individuals are listed?

2.) Does your agency deny service for any reason? Yes, No or Not Applicable

   If denial has been issued, has formal notice been provided? Yes or No

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PROGRAM MONITORING

- (3) Potential Monitoring Steps
  1. Risk Analysis
  2. Remote Monitoring
  3. On-Site Monitoring

RISK ANALYSIS

- A Risk Analysis is conducted of all subrecipients prior to the end of each program year.

- This is completed by the assigned CD Specialist and is a rating worksheet to evaluate the subrecipient's performance over the course of the program to date.

- If the total overall risk score is over the predetermined threshold, then an on-site monitoring is scheduled with the subrecipient.

REMOTE MONITORING

▶ The CD Specialist is responsible for conducting Remote Monitoring for each program funded with CDBG funds.

▶ Communication will be sent to each agency for each program with instructions to assist with the Remote Monitoring process.

▶ Information is collected regarding the program performance, record keeping and documentation, financial information, program income, compliance, procurement and general organization information.

▶ Based on the information provided by the agency, a determination will be made regarding the need for an On-site Monitoring visit.

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ONSITE MONITORING

▸ The basic on-site monitoring includes a tour of the program facilities as appropriate, an explanation of the services provided, discussions with program and administrative staff, and introduction to one or more actual beneficiaries, if possible.

▸ Items covered during on-site monitoring will include:

✓ Program Review

✓ Financial Review

✓ At least (3) Random Client files will be reviewed

✓ Invoice Review

▸ As a result of this visit, staff may determine whether an in-depth review is needed for further clarification of one or more issues that arose during the on-site visit.

ADDITIONAL INFORMATION: AUDITS

Federal programs are subject to review or audit!!

When spending $750,000 or more in "Federal Awards" per year, specific rules apply.

Grantees & Sub-recipients <u>must</u> adhere to Omni Circular Part 200 Subpart F – Audit Requirements.

If your organization expends more than $750,000 in federal funds, you are required to transmit your audit to CD staff as requested.

PLEASE ADVISE YOUR AUDITOR OF THESE REQUIREMENTS

Questions?