



MEMORANDUM

“...meeting community needs...enhancing quality of life.”

TO: Community and Economic Development Committee
FROM: Roxy Schmidt, Community Development Specialist
DATE: September 23, 2015
RE: Community Development Block Grant Program Monitoring

INFORMATION ONLY

From July 14-16, 2015, two representatives from the Department of Housing and Urban Development (HUD) in Milwaukee conducted a monitoring visit of the City of Appleton's Community Development Block Grant (CDBG) Program. Monitoring visits are conducted every three years to assess the City's program performance and compliance with applicable Federal program regulations and requirements. This visit focused on the activities funded under the national objective of Low- to Moderate-Income Housing (LMH) and the City's compliance with the general financial management requirements of the CDBG Program. The focus on activities funded under LMH included an in-depth review of the Homeowner Rehabilitation Loan Program.

Overall, the HUD representatives who conducted the visit provided a significant amount of high quality technical assistance and were very complimentary of the quality of documentation provided and staff knowledge of Federal regulations and requirements.

As a result of the in-depth review of records, three areas received “Findings”, and each was accompanied with a set of “Corrective Actions”.

- Finding #1 related to CDBG conflict of interest provisions.
- Finding #2 related to reporting program income and associated accomplishments and submittal of the SF-425 quarterly report.
- Finding #3 related to the review of sub-recipient independent audit reports.

City staff members have reviewed the corrective and required actions associated with each finding and have developed processes and procedures to ensure the actions are addressed. The response to HUD will include the processes and procedures and a schedule for the completion of related actions.

The HUD monitoring visit showed that the City of Appleton's CDBG Program and Homeowner Rehabilitation Loan Program are strong and will continue to operate successfully. The improvements made as a result of the monitoring visit will ensure full compliance with Federal regulations, complete reporting of accomplishments of the CDBG program and the review of sub-recipient financial status.

A copy of the monitoring report is attached.