

Implementing Activities

The primary purpose of CEDDD's monitoring program is to ensure that subrecipients of Harris County entitlement funds carry out their activities in accordance with the respective regulations and individual applications for funding and all relevant agreements, while also ensuring that funded projects and programs continue to follow the direction of the Consolidated Plan and any other relevant comprehensive plans developed by CEDDD.

Specific areas of subrecipient operations that will be reviewed by CEDDD staff include financial performance, project timeliness, record-keeping procedures and compliance with federal regulations and applicable program guidelines. Staff members will continually assess subrecipient activity to determine organizational ability to carry out approved projects. Where potential problem areas are found, CEDDD staff will assist subrecipients by providing technical assistance and training.

Program Objectives

CEDDD has established performance measures and strategically conducts monitoring reviews of programs to ensure that they are carried out in a timely manner and in accordance with the county's five-year strategy. Implementing activities provide for regular monitoring and describes the county's methods for ensuring that information submitted to CEDDD, as related to program objectives, is correct and complete.

A statement of work will be developed for each activity funded under the Consolidated Plan. This statement of work will be incorporated into a written agreement between the county and the subrecipient. At minimum, the statement of work will provide:

- A description of the work to be accomplished;
- A schedule for completion of the work; and
- A line-item budget for the proposed activity.

The statement of work will be written in sufficient detail to allow CEDDD to monitor performance.

CEDDD currently monitors subrecipient progress on a scheduled basis. For construction-related projects, weekly updates are received from the Harris County Engineering Department and from the respective project and construction management representatives of the funded entities. These updates detail project costs, milestone accomplishment and significant events. Data from these updates will be used to determine subrecipient success in meeting program objectives as related to the Consolidated Plan.

Reporting and Tracking Systems

All subrecipients must submit the following written reports and forms to the CEDDD:

CDBG- and ESG-funded Subrecipients

Individual Eligibility Form: Submitted monthly, provides certification by participant of income, household size and service area. This form certifies the participant's eligibility prior to delivery of service. For persons younger than 18 years of age, parent or legal guardian must sign the form. Subrecipient certifies collection of data by completing left side of form.

Client Summary Report: Submitted monthly, lists each client served by the program during the month. The report indicates which clients are eligible for funding, based on household income, location and number of persons in the household.

Employee Data Report: Submitted monthly to assure compliance with civil rights related program requirements.

Client Data Summary: Submitted monthly, summarizes information reported on the Client Data Reports for the month.

Quarterly Progress Report: Details the agency's accomplishments and the progress of meeting its anticipated goals.

Annual Performance Report: Evaluates the program's performance for the funded program year.

Monthly and quarterly reports are to be submitted in accordance to their subrecipient agreements. The annual performance report is due within one month after the end of the contract period. Staff reviews information submitted on a monthly basis and notifies the agency of any discrepancies. Staff also performs an annual evaluation to give guidance for future program direction.

HOME-funded Subrecipients

Project Set-Up Report: Verifies estimated amount of HOME funds allocated to an activity and participant household characteristics. This report is submitted as services are rendered to provide project set-up information. Submitted for every homebuyer/homeowner assisted.

Project Completion Report: Verifies actual amount of HOME funds expended on an activity, purchase price or after-rehab value, and household characteristics. Submitted as services are completed to provide project completion information. Submitted for every homebuyer/homeowner assisted.

Environmental Review Determination of Categorical Exclusion and Exemption: Verifies environmental review status of an activity. Submitted as services are rendered to establish that the activity is not subject to Section 24 CFR 58.5 and do not require prior

HUD approval for drawdown of funds. Submitted for every property acquired or rehabilitated.

Property Inspection Form: Verifies that acquired property meets all of the county's locally adopted property standards and codes including any state codes or requirements which the county must comply with. This form is completed prior to provision of assistance. Submitted for every property acquired.

Inspection Checklist (Multi-Family Units Only): Verifies that acquired property meets all of the county's locally adopted property standards and codes including any state codes or requirements which the county must comply with. Submitted annually for units acquired or rehabilitated using HOME funds.

On-Site Monitoring

Scheduled site visits are conducted by CEDD staff to monitor program progress. The purpose of CEDD's on-site monitoring program is to determine if a subrecipient is carrying out its program activities as described in the application for assistance and the written agreement. On-site monitoring is also used to ensure that required records are maintained to demonstrate subrecipient compliance with applicable regulations.

The frequency of on-site monitoring is determined as a result of risk analysis conducted by CEDD staff. Through risk analysis, priorities are established and resources allocated. Subrecipients that represent the greatest vulnerability to fraud, waste and mismanagement are monitored within the resources available. Risk factors evaluated include:

- Subrecipient experience with CDBG program or other federal grants;
- Subrecipient staffing, to include turnover and key staff experience;
- Previous compliance or performance problems;
- Nature of activity (housing, economic development; relocation, acquisition); and
- Scope of program.

Agencies are notified in writing of any findings and given a date by which all findings are to be addressed, and CEDD specifies corrective actions that must be taken to address the findings. The monitoring letter also addresses concerns and makes recommendations for improvement. CEDD staff conducts a financial monitoring review of all subrecipients. Agencies are required to certify that funds are being used in accordance with their contract with Harris County.

In addition to monitoring conducted by CEDD, the Harris County Auditor's Office has implemented a Grant Monitoring Program which consists of a Compliance Review of the Grant Monitoring process performed by the Grantee Department (CEDD) and a direct review of the records of select subrecipients.

Harris County will continue to use these established procedures and will incorporate any additional requirements of the National Affordable Housing Act.

HOME-Specific Homebuyers Recapture Guidelines

The department's Mortgage Assistance Program is designed to assist eligible, low-income applicants with the purchase of decent, safe, and sanitary housing by providing financial assistance for down-payment, closing cost, and mortgage assistance for new construction and/or existing housing. Funds for assistance are available as a deferred or amortized loan. Both the home and potential homebuyer must be eligible for the program, following specific standards and requirements from HUD.

Each loan made under the program includes requirements for recapture of the remainder of the loan should the homebuyer sell during the five- or ten-year "recapture period." Loans to homebuyers are forgiven at rate of 1/60th per month respectively, depending on the amount of assistance, throughout the recapture period. If the house is sold after expiration of the five-year recapture period, the loan and all recapture provisions are forgiven.

To ensure awareness of the recapture requirements involved in receiving a loan through the Mortgage Assistance Program, all applicants are required to sign a Recapture Provision Certification.