NEIGHBORHOOD STABILIZATION PROGRAM (NSP) MANAGEMENT PLAN

SUBMITTED FOR THE CONSIDERATION OF
THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

City of Cape Coral
Department of Community Development
www.capecoral.net

James D. Busch, Mayor
Gloria Tate, Councilmember, District 1
Peter Brandl, Councilmember, District 2
William Dele, Councilmember, District 3
Debra Borthuff, Councilmember, District 4
Eric D. Girl, Councilmember, District 5
Timothy Day, Councilmember, District 6
Derrick L. Donald, Ed.D. Councilmember, District 7

Terry Stovall, City Manager
Carl L. Schweng, Acting Community Development Director
Mike Strawo, AICP, Acting Planning and Growth Management Manager
Amy L. Veach, AICP, CEDC/SHP Team Coordinator
Samantha Choy, Planning Technician
April 24, 2009

La Vora Bussey, CPD Representative
Community Planning and Development
US Department of Housing and Urban Development
Florida State Office, Brickell Plaza Federal Building
909 SE First Avenue, Room 500
Miami, Florida 33131-3028

Re: City of Cape Coral
NSP Management Plan

Dear Ms. Bussey:

In accordance with the Neighborhood Stabilization Plan (NSP) grant agreements dated March 4th, the City is providing the NSP Management Plan prior to the required deadline of May 4th.

The City anticipates a favorable review by your office and looks forward to implementing the Management Plan. If you have any questions regarding this correspondence, please contact Amy L. Yearsley, AICP, CDBG/SHIP Team Coordinator at (239) 573-3182.

Sincerely,

[Signature]

Carl L. Goings,
Acting Community Development Director

CS/AY/le(NSPmanagementHUDcoverletter)

Enclosures

C: Derek C. S. Burr, AICP, Planning and Growth Management Manager
Amy L. Yearsley, AICP, CDBG/SHIP Team Coordinator
Samantha Crow, Planning Technician
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I. Overview
The City of Cape Coral as a HUD entitlement community was awarded $7,065,484 in Neighborhood Stabilization Program (NSP) funds from the US Department of Housing and Urban Development (HUD). The NSP funds became available to the City of Cape Coral upon the effective date of the grant agreement March 3, 2009. As a condition of the grant agreement the City has been required to submit a management plan to HUD delineating how the program will be administered by the City. The following serves as the City of Cape Coral’s response to this request by outlining the staff and outside entities that will be utilized to manage the NSP program. The cross-departmental team demonstrates a sound structure for the administration of these funds.

II. Administrative Structure
The City of Cape Coral is a legally incorporated municipality in the State of Florida with a Council –Manager form of government. The following persons will be responsible for administering the City’s Neighborhood Stabilization Program:

The City Manager, and/or his designee, will have responsibility for all NSP-related actions. The Mayor and City Council will have ultimate authority and responsibility for the management of the NSP Program.

The Accounting Grants Coordinator, under the direction of the Financial Services Director, will be responsible for financial management of, and record keeping for, the NSP funds.

The CDBG/SHIP Team Coordinator, under the direction of the Community Development Director, will be designated as Grant Manager and be responsible for overall grant management and assuring compliance with applicable federal requirements for the NSP program. The Grant Manager will serve as the City’s liaison with HUD. About thirty-three percent (33%) of this position’s time will be devoted to NSP administration during the term of the project.

The City Attorney, as the City’s legal counsel, will review and advise the Mayor, Council, City Manager and Staff regarding any proposed contractual agreements associated with the NSP project and provides any other legal guidance as requested.

The City’s Property Broker, under the direction of the Public Works Director, will be responsible for City acquisition activities under the NSP Program.

The Contract NSP Specialist and Planning Technician will be responsible for assisting the Grants Manager with the overall grant management of the NSP program. About twenty-five percent (25%) of the Planning Technician’s time will be devoted to NSP administration. The Contract NSP Specialist will be specifically assigned full time to the NSP program for the term of the said program.

Various outside Non-profit Subrecipients will be utilized to assist with the expenditure of NSP funds.
III. Grant Management

A. The Grant Manager, with the assistance of the Planning Technician and NSP Specialist, will be responsible for:

1. Implementing and maintaining the Substantial Amendment to the City of Cape Coral Action Plan for the NSP program.

2. Complying with any applicable environmental requirements.

3. Soliciting for, and contracting with, subrecipients and assisting the City with all requirements related to effective project start-up and implementation.

4. Monitoring subrecipients in accordance with the City's Community Development Block Grant (CDBG) Monitoring Policy and Procedure. This includes both desk and on-site monitoring.

5. Preparing any legal notices required to be published, and processing and conducting any required public hearings or informational meetings.

6. Establishing and maintaining complete and accurate project files and preparing all documentation and reports incidental to administration of the grant.

7. Providing technical assistance to non-profit subrecipients.

8. Reviewing all proposed project expenditures or requests for payment to ensure their propriety and proper allocation of expenditures NSP program budget.

9. Processing payment requests and preparing drawdown requests through the Disaster Recovery Grant Reporting (DRGR) System, including the Request for Payment and Status of Funds Report and the Project Progress Report. This will be performed in cooperation with the City's Financial Services Department.

10. Monitoring the contractor selection by non-profit subrecipients for any rehabilitation work, including the bid advertising, tabulation and award process for conformance to NSP and City requirements. This effort will also include monitoring contractor compliance with applicable requirements.

11. Assuring compliance with all federal labor standards requirements as necessary. Responsibilities will include the review of weekly payroll reports to assure compliance with state prevailing wage requirements; periodic visits to the construction site to assure that required equal opportunity, labor standards, and prevailing wage determinations have been posted; and conducting on-site interviews with construction personnel to assure prevailing wage compliance.
12. Assuring compliance with applicable equal opportunity requirements.

13. Preparing all required performance reports and project closeout documents for submittal to HUD.

14. Attending City Council meetings to provide project status reports and representing the NSP program at other public meetings, as deemed necessary by the City Manager.

B. The Property Broker, with the assistance of the City's Real Estate Division's staff, will be responsible for:

1. Serving as the primary acquisition agent on the City's behalf for all NSP purchases. This includes, but is not limited to, researching properties, inspecting properties, coordinating independent appraisals and inspections, negotiating terms and conditions of purchase contracts, presenting contracts to Council for approval, coordinating closings with title companies, reviewing closing documents and attending closings.

C. The Non-Profit Subrecipients will be responsible for the following:

1. Conducting client interviews by phone and in person.

2. Providing client counseling and education.

3. Preparing and managing case files.

4. Verifying income in accordance with HUD regulations.

5. Managing bidding and contractor eligibility, contractor performance, payment to contractors, and maintenance of a qualified contractors list.

6. Preparing and filing of all agreements, the mortgage note and mortgages.

7. Financial tracking of all work performed and assistance granted.

8. Completing reimbursement request for funding to the City of Cape Coral.

9. Managing case file(s) for all of the years a mortgage is in place on subject properties.

10. Verifying, on an annual basis, homeowner tenure during life of the mortgage and responding to payoff and subordination request throughout the mortgage period.

IV. Financial Management

A. The Accounting Grants Coordinator’s financial responsibilities will be as follows:

1. Entering all project transactions into the City’s existing accounting system, and preparing checks for approved expenditures.

2. Preparing the Request for Payment and Status of Funds Reports to be submitted to HUD. The Grant Manager will assist with this activity. All drawdown requests will be signed by the following persons: CDBG-SHIP Team Coordinator, Planning and Growth Management Manager, and Community Development Director.

3. Preparing the final financial reports for project closeout. The Grant Manager will assist with this activity.

4. Approving all transactions through the line of credit control system (DRGR).

B. The Grant Manager and Accounting Grants Coordinator will review all proposed expenditures of NSP funds and will prepare drawdown requests, which will be signed by the officials cited above. All disbursements will be handled in accordance with the City’s established procedures.

C. Financial record keeping will be done in conformance with HUD and City of Cape Coral regulations. The original financial documents (requests for payment with attached supporting material) will be retained in the City’s offices.

This management plan has been reviewed and approved by the City Council of the City of Cape Coral at the April 20, 2009 meeting of the Cape Coral City Council and the individuals named within have been informed of the responsibilities stated within this plan.

Terry Stewart, City Manager

James D. Burch, Mayor

Date 4-21-09

Date 4-21-09

APPROVED AS TO FORM:

BY: City Attorney’s Office

04/07/09
V. APPENDICES
NSP
MANAGEMENT PLAN
ORGANIZATIONAL CHART

City Council

City Manager
City Attorney

Community Development Director

Financial Services Director

Director of Public Works

CDBG/SHIP Team Coordinator

Accounting Grants Coordinator

Property Broker

Planning Technician

Non-profit Subrecipients
(Multiple)

Contract NSP Specialist
A Resolution Adopting the Substantial Amendment to the 2018 City of Cape Coral One Year Action Plan for the Implementation of the Neighborhood Stabilization Program, Authorizing and Directing the City Manager to Prepare and Submit the Substantial Amendment to the United States Department of Housing and Urban Development (HUD), Authorizing the City Manager to Accept and Execute the Grant Agreement for the Neighborhood Stabilization Program When Received from HUD, Providing an Effective Date.

WHEREAS, the United States Department of Housing and Urban Development (HUD), as provided under Title III of Division B of the Housing and Economic Recovery Act, requires all grantees to prepare a Substantial Amendment to their Community Development Block Grant Action Plan to receive Neighborhood Stabilization Program funding, and

WHEREAS, the Neighborhood Stabilization Program provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities, and

WHEREAS, the City has received an allocation of $7,065,484 for its 2006-2009 Neighborhood Stabilization Program from the United States Department of Housing and Urban Development (HUD), Office of Assistance Secretary for Community Planning and Development, to be used to implement the activities within the Substantial Amendment; and

WHEREAS, the City has provided for the required fifteen (15) day period for public comment on the Substantial Amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CAPE CORAL, FLORIDA:

Section 1. That the Council for the City of Cape Coral hereby adopts the Substantial Amendment to the 2018 City of Cape Coral One Year Action Plan. A copy of the Amendment is attached hereto and incorporated hereto by reference.

Section 3. The City Council authorizes and directs the City Manager to prepare all required materials necessary for the submission of the Substantial Amendment to the 2018 City of Cape Coral One Year Action Plan and forward a complete application to the United States Department of Housing and Urban Development.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption by the Cape Coral City Council.


[Signature]

EIC HH PEREGO SAR, MAYOR

10
CDBG Subrecipient Monitoring

Policies and Business Practices

Document Name: Community Development Block Grant (CDBG) Subrecipient Monitoring Policy and Procedures

Document History:

<table>
<thead>
<tr>
<th>Revision</th>
<th>Date</th>
<th>Comments</th>
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<tbody>
<tr>
<td>A</td>
<td>07/20/06</td>
<td>Initial Document</td>
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<tr>
<td>B</td>
<td>09/15/08</td>
<td>Update</td>
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Approval:

Document Owner: A. Yearsley

*** NOTE ***

Electronically Controlled Document

Revision level Can be Verified by Comparing with the Document Control List

Control Number: PRO-DOCD-CDBG04

Revision Level: B

Document Name: Policies and Procedure Guidelines

Revision Date: 09/15/2008
1.0 PURPOSE

1.1 To formalize a policy and create procedures to monitor the subrecipients of the City's Community Development Block Grant (CDBG) program in accordance with 24 CFR 85.40(a).

1.2 By monitoring, the City can ensure that subrecipients comply with all regulations governing their administrative, financial and programmatic operation and achieve their performance objectives on schedule and within budget.

1.3 The procedures are to serve as a reference and will provide the guiding principles for subrecipient monitoring by City Staff.

2.0 SCOPE

2.1 The procedures are to be used by staff responsible for the CDBG program.

2.2 The policies and procedures in this document pertain solely to the monitoring of subrecipients of the City's CDBG program. These subrecipients will be monitored on all aspects of their respective programs to ensure compliance with 24 CFR 570, which governs the CDBG program. This includes program performance, financial performance and regulatory performance.

3.0 RELATED DOCUMENTS

3.1 24 CFR 85.40

3.2 Pre-monitoring letter to subrecipient

3.3 Post-monitoring letter to subrecipient

3.4 Subrecipient Monitoring Checklist

3.5 Subrecipient Monitoring Report

3.6 Project Close-Out Checklist

4.0 PROCEDURE

4.1 Monitoring Schedule. Within the City's Annual Action Plan, submitted to the US Department of Housing and Urban Development, shall be a monitoring schedule for the applicable fiscal years' activities. Monitoring of subrecipients begins during the project selection process and continues until the terms and conditions of the
subrecipient agreement have been completed. There are two types of program monitoring: in-house desk review and on-site visit. Each subrecipient shall be scheduled for at least one on-site visit during the program year and again at the close out of the project.

4.1.1 Risk assessment is conducted to determine which subrecipients will require the most comprehensive monitoring. Low risk subrecipients are organizations that have satisfactory past performance, little turnover of key staff members, and that receive no more than $10,000. High risk subrecipients are have no past performance history, or receive more than $20,000, or are experiencing significant changes or key staff turn over.

4.1.2 Low-risk subrecipients are monitored through at least one on-site visit during each program year.

4.1.3 High-risk subrecipients are monitored through on-site visits as often as City staff deems necessary to evaluate project performance and ensure compliance with all federal requirements. Length and complexity of the activity and the experience and capacity of the subrecipients are considered.

4.1.4 City staff is available at any time to offer technical assistance to subrecipients.

4.2 In-house Desk Review Monitoring Process. Desk Reviews will help aid in identification of potential problem areas. City staff shall examine progress reports, financial information, and compliance reports submitted by subrecipients to assess performance and identify compliance issues. If questions or concerns arise from the in-house desk review, staff should expand the scope of the desk review.

4.3 Preparation for the Monitoring Visit. In preparation for the monitoring visit, staff shall review in-house written documentation including, but not limited to, the following items: subrecipient's application, subrecipient agreement, monthly reports, drawdown requests, previous monitoring reports, etc.

4.4 On-site Monitoring Process. City staff shall first contact the subrecipient by telephone to explain the purpose of the monitoring visit and arrange mutually convenient dates for the monitoring.

4.4.1 The Notification Letter. A formal notification letter shall be sent to the subrecipient two weeks prior to the agreed upon monitoring date. The letter shall include the date of the on-site visit and scope of the monitoring, a description of the materials to be reviewed during the visit, the expected duration of the monitoring, City staff that will be involved, what office space is required, and what members of subrecipient staff should be made available. A sample notification letter is included as "Pre-monitoring letter to subrecipient."

4.4.2 The Entrance Conference. City staff shall hold an entrance conference with the subrecipient’s director and appropriate financial and program staff at the beginning of the monitoring. The purpose of the entrance conference is to
CDBG Subrecipient Monitoring Policies and Business Practices

ensure that all subrecipient staff have a clear understanding of the purpose, scope and schedule of the monitoring.

4.4.3 Documentation and Data Acquisition. During the monitoring staff shall keep a written record of the steps followed and information reviewed during the visit. Staff shall utilize the “Subrecipient Monitoring Checklist” to conduct the monitoring. Staff shall document all conversations between City staff and subrecipient staff as well as sources of all information.

4.4.4 The Exit Conference. At the end of the monitoring visit, City staff shall meet with key representative of the subrecipient organization to prevent the tentative conclusions of the monitoring. There are four objectives that should be achieved:

4.4.4.1 Present preliminary results of the monitoring visit.
4.4.4.2 Provide an opportunity for the subrecipient to correct any misconceptions or misunderstandings on City staff’s part.
4.4.4.3 Secure additional information from subrecipient staff to clarify or support their position.
4.4.4.4 Provide an opportunity for subrecipient to report on steps they are already taking to correct any deficiency.

Staff shall maintain careful notes on the exit conference in order to document what was explained to the subrecipient and the subrecipient’s response to the tentative findings.

4.4.5 The Monitoring Letter: A sample monitoring letter is included as “Post-Monitoring Letter to Subrecipient”. The monitoring letter shall identify fully every finding and concern. A “finding” will be issued for noncompliance with the rules and regulations of the CDBG program. A finding must be correctly identified, based on applicable law, regulation, or program policy, and supported by the facts presented in the monitoring letter. For each finding, a corrective action shall be provided for the subrecipient to take. A “concern” is an instance where the deficiency is not a finding, or where noncompliance may occur in the future because of weaknesses in the subrecipient’s operations. For each concern, a recommendation shall be provided for improvement. The monitoring letter shall include deadlines for the subrecipient to provide a written response to the monitoring letter that describes how any finding will be resolved and deadlines for correcting each deficiency. The monitoring letter shall be mailed to the subrecipient within two weeks of the exit conference.

5.0 RESPONSIBILITY

5.1 It is the responsibility of the CDBG/SHIP Team Coordinator and related staff to assure compliance with this policy.

5.2 It is the responsibility of the CDBG/SHIP Team Coordinator to update the CDBG Subrecipient Monitoring policy when changes occur to federal legislation regarding
CDBG Subrecipient Monitoring Policies and Business Practices

the CDBG program, upon request of Department of Housing and Urban Development Staff, when an existing document is revised, and/or as needed.

End of Document