



U.S. Department of Housing and Urban Development
Office of Community Planning and Development

Special Attention of:

All Regional Office Directors

All Field Office Directors

All CPD Division Directors

NOTICE: CPD-22-11

Issued: October 7, 2022

Supersedes: Notice CPD-22-04

This Notice is effective until it is amended, supersede, or rescinded.

SUBJECT: Implementing Risk Analyses for Monitoring Community Planning and Development Grant Programs in FY 2023

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I. Purpose

The purpose of this Notice is to provide a consistent methodology for conducting risk analyses for Community Planning and Development (CPD) formula and competitive grantees¹ and establish monitoring priorities within available resources. This risk analysis process has been incorporated into CPD's Grants Management Process Reporting (GMP-R) system, a computer-based information system which is used to provide a documented record of conclusions and results.

This Notice reflects a risk analysis methodology that was implemented by Notice CPD-22-04, published February 10, 2022. The methodology was developed by a CPD working group in collaboration with the Office of the Chief Risk Officer, that considered risk factors, subfactors, and symptomatic causes in program performance. The methodology CPD utilizes is designed to best identify risk, utilize a streamlined process, and ensure consistency across reviews through the integration of available performance data from grant reporting systems, and use, to the greatest extent feasible, subfactors which can be auto-populated using data extracted from existing information technology systems available to CPD. This Notice updates the methodology to reflect the full utilization of the GMP-R system for completing Risk Analysis Worksheets (Attachments A-1 through A-10) and documenting Management Representative electronic approval for completing grantee risk ranking and for documenting grantee and program selection for annual CPD monitoring review. Limited substantive changes were made to incorporate additional automation using system performance data, revise factor scoring and questions where needed to best align with risk predictors, and improve language clarity. Additional non-substantive revisions were made to clarify and better organize the language outlining CPD's Risk Analysis process and policies.

This Notice is intended to augment the Departmental policy contained in Handbook 1840.1, *Departmental Management Control Program*, which requires the development of risk-based rating systems for all programs, and Handbook 6509.2, *Community Planning and Development Monitoring Handbook*, which establishes standards and provides guidance for monitoring CPD Programs. The major steps for implementing risk-based monitoring include:

- Developing risk-based rating systems to evaluate all program grantees;
- Rating and selecting grantees for monitoring;
- Identifying program risks and setting monitoring objectives; and
- Documenting the process and recording the rationale for choosing grantees to be monitored.

Each CPD Field Office will perform the risk analysis using the methodology described in this Notice. The Evaluator (e.g., CPD Representative, Financial Analyst, or CPD Specialist) and

¹ The terms "program participant," "grantee," "participating jurisdiction" (PJ), and "recipient" all refer to the entity that receives the Federal award directly from HUD and are used interchangeably in this Notice.

Management Representative (e.g., CPD Director, Program Manager) have specific responsibilities for risk analysis review and information update for each grantee.

II. Background

The Office of Field Management (OFM) Director establishes the completion dates for risk analysis and monitoring work plans each fiscal year. Each CPD Field Office is responsible for completing risk analysis review and for developing a monitoring work plan encompassing CPD grantees and programs to be monitored during the fiscal year. The monitoring work plan documents the CPD Field Office decisions regarding where to apply staff and travel resources for monitoring, training, and/or technical assistance. Using the monitoring work plan, CPD Field Offices will develop individual grantee monitoring strategies to define the scope, focus, and appropriate level of monitoring for selected CPD grantees, consistent with identified risk and available resources. The CPD Field Office includes the final individual grantee monitoring strategy in the Monitoring Notification Letter that is sent to the grantee.

Risk analysis provides the information needed for CPD to effectively target its resources to grantees that pose the greatest risk to the integrity of CPD programs, including identifying the grantees it will monitor on-site or remotely, and the program areas it will cover. The selection process identifies those grantees and activities that represent the greatest vulnerability to fraud, waste, abuse, and mismanagement.

III. Frequency of Risk Analysis

This Notice reflects an annual assessment period and provides policy guidance for fiscal years 2023 and beyond, until superseded by further guidance.

IV. Applicability

CPD Field Offices will apply the risk analysis process to the formula and competitive grant programs listed below, including programs funded under the Coronavirus Aid, Relief, and Economic Security Act (P.L. 116-136) (CARES Act). Additionally, the Neighborhood Stabilization Programs (NSP-1, NSP-2, and NSP-3 grant programs) will remain combined regarding the use of the Attachment A-3 risk analysis worksheet. Also, the Community Development Block Grant-Disaster Recovery (CDBG-DR) assistance (including CDBG National Disaster Resilience (NDR) and CDBG Mitigation (MIT) funds) remains in this Notice for two reasons: first, to provide further guidance to the CPD Field Offices on how to evaluate risk with CDBG-DR grants; and second, to provide a consistent risk analysis tool for all CDBG-DR grants, irrespective of whether they are managed by the CPD Field Offices or by Headquarters.² CDBG-DR reviewers will use the Attachment A-2 risk analysis worksheet.

² CDBG-DR grants managed by HQ are maintained by the Office of Block Grant Assistance- Disaster Recovery & Special Issues Division. For the purpose of this notice, DRSI is considered the Field Office for those grants managed by the Division.

Programs Assessed

- Community Development Block Grant Program (CDBG)
- HOME Investment Partnerships Program (HOME)
- Emergency Solutions Grants Program (ESG)
- Housing Opportunities for Persons with AIDS Program (HOPWA)
- Housing Opportunities for Persons with AIDS Program Competitive (HOPWA-C)
- Continuum of Care (CoC)
- Neighborhood Stabilization Programs (NSP 1, 2, and 3)
- Section 8 Single Room Occupancy Moderate Rehabilitation (SRO)
- Community Development Block Grant Disaster Recovery (CDBG-DR, including CDBG-NDR and CDBG-MIT funds)
- Community Development Block Grant-CARES Act (CDBG-CV)
- Emergency Solutions Grants Program-CARES Act (ESG-CV)
- Housing Opportunities for Persons with AIDS Program-CARES Act (HOPWA-CV)
- Housing Opportunities for Persons with AIDS Program Competitive-CARES Act (HOPWA-C-CV)
- Recovery Housing Program (RHP)

V. Risk Categories and Criteria

All CPD program risk analyses use standardized factors and a quantifiable rating system. Risk analysis factors are consistent with the Departmental factors outlined in the *HUD Monitoring Desk Guide: Policies and Procedures for Program Oversight*, available here: https://www.hud.gov/sites/documents/DOC_35339.PDF.

Program risk subfactors used for each risk factor include the areas listed below with some variation among the CPD Programs, based on each program office's specific determinants of risk.

1. Grant Management

- a. Grantee Reporting
- b. Grantee Staff Capacity and Program Design
- c. Grantee Program Complexity
- d. Grantee Findings (Monitoring and Office of Inspector General (OIG) and Sanctions)
- e. Grantee's Management of Subrecipients

2. Financial Management

- a. Grantee Financial Staff Capacity
- b. Monitoring Finding Resulting in Repayment or Grant Reduction
- c. Grant Amount
- d. Grantee Program Income

e. Grantee Audits Required by 2 CFR § 200.501

3. Services & Satisfaction

- a. Grantee Citizen Complaints or Negative Media Exposure
- b. Grantee Responsiveness

4. Physical

- a. Physical Condition of Properties

Factor 4, Physical, only applies to the worksheets for HOPWA, HOPWA-C, HOPWA-CV, and HOPWA-C-CV (Attachment A-6). CDBG-DR, CDBG-NDR, and CDBG-MIT (Attachment A-2) include a Factor 4, which reflects Project-Specific Risk, instead of Physical Condition of Properties.

VI. Risk Analysis Process

CPD Field Offices will perform the risk analysis review and rating process for all grantees in their portfolio with active grants at the beginning of the risk analysis review process, by the deadline established by the OFM Director. The risk analysis covers all “active” grants. An active grant is defined as any grant within the Field Office’s portfolio not closed out at the start of the risk analysis review process. When evaluating each grantee against program risk criteria, the Field Office will record and document the results in the GMP-R system.

Risk Analysis consists of two steps:

1. Rating:
 - Extracting data for system-driven risk factors;
 - Incorporating assessment and rating of factors by the Evaluator; and
 - Reviewing results by Management.
2. Ranking & Selecting:
 - Generating ranking of grantees by risk score, from highest to lowest;
 - Determining monitoring exceptions; and
 - Certifying results.

The results of this two-step process provide the basis for developing the Field Office monitoring work plan and individual grantee monitoring strategies. This includes identifying which grantees will be monitored, method of monitoring (on-site or remote), programs and areas to be monitored, areas of technical assistance and training needed, resources needed, and projected timeframes.

Step 1 – Rating Grantees

Evaluator

Using a combination of data extracted from grant reporting systems and information available from other sources, the Evaluator will review and rate each program by a grantee. Each factor and its relevant subfactors are assigned a level of risk: high, medium, or low. Evaluator reviews are conducted by completing the applicable Risk Analysis Worksheets (Attachments A-1 through A-10) in GMP-R.

The risk analysis process begins with a review of each grantee against each subfactor. Certain subfactors are auto-populated or assigned a score of high, medium, or low risk based on data available from grant reporting systems. Support data for auto-populated fields will be displayed in the comment field. Other subfactors are not auto-populated, and the Evaluator must assign a risk score based on information readily available from other sources. In completing this review, various sources of information are used, including data obtained from the Integrated Disbursement and Information System (IDIS), Disaster Recovery Grant Reporting System (DRGR), e-SNAPS, Annual Progress Reports (APRs), CAPERS and PERs, prior monitoring visits, audits, and citizen complaints. Special attention should be given to recent audits with findings, compliance with program expenditure requirements established by the Department, and fair housing/civil rights issues, including those raised in any fair housing or civil rights complaints, investigations, compliance reviews, letters of finding, charges, cause determinations, and Justice Department lawsuits.

CPD Field Offices evaluate CPD formula and competitive programs using criteria outlined in Attachments A-1 (for CDBG), A-2 (for CDBG-DR, including -NDR and -MIT), A-3 (for NSP1, 2, and 3), A-4 (for HOME), A-5 (for ESG), A-6 (for HOPWA, HOPWA-C, HOPWA-CV, and HOPWA-C-CV), A-7 (for CDBG-CV), A-8 (for ESG-CV), A-9 (for RHP), and A-10 (for CoC and SRO). CPD Field Offices evaluate a grantee using criteria for each program type it administers per the specific attachments listed above. For example, if a grantee administers CDBG and CDBG-CV programs, the grantee's risk will be evaluated for each program separately: one analysis for CDBG and one analysis for CDBG-CV. If a grantee administers HOPWA programs, then grantee's risk evaluations will use Attachment A-6 for each individual HOPWA program type (i.e., HOPWA, HOPWA-C, HOPWA-CV, and HOPWA-C-CV). For example, if a grantee administers HOPWA and HOPWA-CV, the Evaluator will complete Attachment A-6 for HOPWA and a separate Attachment A-6 for HOPWA-CV.

Special instructions regarding NSP-2, as implemented in the competitive side of GMP-R, are as follows (as noted in *Section IV-Applicability*): if the grantee has received an NSP-1 and/or NSP-3 allocation, and additionally received an NSP-2 allocation, the NSP-2 grantee must be entered into GMP-R using the same score and worksheet. Attachment A-3 will be used to review all the NSP grants a grantee may have.

Management Review

After the Evaluator has completed documenting the risk analysis results for each grantee, a Management Representative begins the review and completes the certification in GMP-R. The

role of the Management Representative is to provide quality control to ensure validity and consistency through an assessment of each Evaluator's ratings and comments. The Management Representative will ensure that any updates are entered into the GMP-R system.

Step 2 – Grantee Ranking and Selection

Grantee Ranking

After all information has been entered into GMP-R, the automated system provides the results in a Risk Analysis Summary Report for formula and for competitive grantees (except for CDBG-DR grantees managed by the Disaster Recovery and Special Issues (DRSI) Division, whose results will be available in the DRGR Summary in GMP-R). Grantees will be ranked in descending order on the Risk Analysis Summary Report in GMP-R, from highest average risk score to lowest average risk score. The Management Representative will then begin the grantee selection and exception process, utilizing the Risk Analysis Summary Report.

Grantee Selection

CPD Field Offices will make grantee monitoring selections based upon the numerical monitoring goal assigned by the OFM Director. The appropriate fiscal year monitoring goal must be applied to determine the total number of grantees to be monitored for the fiscal year.

After separately ranking formula and competitive grantees, the Management Representative will then determine its grantee selection method and begin the exception process, as documented on the GMP-R Risk Analysis Summary Report. This constitutes the Field Office monitoring work plan.

CPD Field Offices have two methods available for selecting grantees to monitor:

- (1) The **100% Option**: Select 100% of grantees in risk rank order for monitoring; or
- (2) The **70/30% Option**: Select the first 70% of the grantees in risk rank order, with the remaining 30% being selected at the discretion of the Management Representative.

Any grantee with an average risk score of 51 or higher and/or a program score(s) of 51 or higher identified within the rank order must be selected for monitoring unless an eligible exception can be applied.

In addition, monitoring a limited number of non-high-risk grantees (either due to the risk score results or through discretionary monitoring selections) can serve to validate the soundness of the rating criteria as well as possibly detect early warnings of potentially serious problems.

Applying Exceptions

The Management Representative will determine whether any grantee meets an exception from monitoring based on five exception categories identified below. CPD Field Offices have two possible methods for selecting grantees for monitoring, as identified in the **Grantee Selection** section above. A grantee cannot be excepted from monitoring without the CPD Field Office identifying an appropriate exception. The five exceptions included in GMP-R consist of the following:

- **A** – The Office of Inspector General is currently conducting an audit of the high-risk grantee and/or high-risk program(s);
- **B** – High-risk grantee and/or high-risk program(s) were monitored within the last two years;
- **C** – Grantee will be provided technical assistance or training in the current fiscal year;
- **D** – The grantee’s HUD grant program is selected to be monitored as a discretionary selection; and
- **X** – Other.

Management Representatives will review all grantees within the rank order and determine whether a grantee and program will be selected for review or whether an exception code applies. For grantees determined to be high-risk or to contain a high-risk program(s), the management representative must either select the grantee and program(s) for review or identify a valid exception code. Management Representatives will annotate the exception codes on the Risk Analysis Worksheet.

Utilizing Exception Codes A & B

For any grantee with an average risk score of 51 or higher and/or a program score of 51 or higher that falls within the rank order dictated by the monitoring goal (discussed above), the only allowable exceptions the Management Representative can apply are:

- Exception A - The Office of Inspector General is currently conducting an audit of the high-risk grantee and/or high-risk program(s); or
- Exception B – High-risk grantee and/or high-risk program(s) were monitored within the last two years.

Utilizing Exception Code D (Discretionary Monitoring)

Exception Code D (Discretionary Monitoring) applies to specific circumstances when a grant program is selected to be monitored as a discretionary selection. If the CPD Field Office selects the 70/30% grantee selection method outlined above, the Management Representative must use applicable exceptions when determining the 70% of grantees that are in rank order. For the 30%, the Management Representative must use Exception Code D to document the grantee and HUD grant program selected for discretionary monitoring.

Utilizing Exception Code X (Other)

Exception Code X should only be used to document selections based on the descriptions provided below. A CPD Field Office may use Exception Code X (Other) to document specific

circumstances when grant programs will not be monitored in the current fiscal year. Additionally, a CPD Field Office may use Exception Code X (Other) to document specific circumstances:

- when two or more grant programs are assessed high risk, but not all of the high-risk programs require monitoring in the current fiscal year because one or more of the high-risk programs were monitored during the last two years; and
- to identify the specific high-risk program(s) for which the Office of Inspector General is conducting an audit, when the OIG is not conducting a full review of all of the programs; and
- to except a medium/low risk grantee when there are no high-risk programs.

When a CPD Field Office applies Exception Code X (Other), the specific circumstances must be documented. Examples of how to document Exception Code X (Other) are provided as follows:

- CDBG and HOME grant programs were assessed high-risk, but HOME was monitored in the last two years; CDBG will be monitored this fiscal year.
- The OIG is conducting an audit of the HOME program; however, CDBG will be monitored this fiscal year.
- This medium/low-risk grantee will not be monitored this fiscal year.

Additional Considerations

- Depending on the availability of travel resources, weather conditions, mandatory pandemic-related work from home, and operational limitations, CPD Field Offices can use remote monitoring as an alternate to on-site monitoring.
- Although CPD Field Offices use risk analysis as their primary monitoring basis, they may also identify other areas needing special emphasis during monitoring based on national program reviews and evaluations by Congress, the U.S. Office of Management and Budget (OMB), or the HUD OIG.

VII. Individual Grantee Monitoring Strategy

The CPD Field Office will incorporate risk areas identified during the risk analysis process into the grantee's individual grantee monitoring strategy. Strategies will also identify monitoring Exhibits that CPD Field Offices plan to use during monitoring (see CPD Monitoring Handbook: <https://www.hud.gov/offices/adm/hudclips/handbooks/cpdh/6509.2/index.cfm>). When developing individual monitoring strategies, CPD Monitoring Handbook Exhibits will be selected based upon the areas of risk identified by grantee and applicable program(s). CPD Field Offices will document all individual grantee monitoring strategies under the Work Plan Module in the GMP-R system. Chapter 2, paragraph 2-5A of the CPD Monitoring Handbook, provides guidance on the development of grantee monitoring strategies. Whether monitoring is conducted remotely or on-site, the development of an individual, written monitoring strategy is needed to define the scope and focus the monitoring efforts. It identifies:

1. the HUD grant program(s), grantee projects/activities, and functional areas to be reviewed, including a brief discussion of the high-risk factor(s) identified through the risk analysis process;
2. data or information to be submitted by the program participant prior to monitoring (if any);
3. the names of any participant staff members who will need to be consulted during the monitoring;
4. anticipated staff who will conduct the monitoring (e.g., CPD Representatives and, if participating, any Specialists);
5. clearly defined areas of responsibilities for each reviewer (to avoid duplication) if more than one staff person will be conducting the monitoring;
6. a schedule for carrying out the monitoring tasks and the anticipated time frames;
7. required resources (e.g., travel funds if on-site; time needed, if remote); and
8. the planned *CPD Monitoring Handbook 6509.2* Exhibits that are selected based upon the areas of risk identified by grantee and program.

Timely and concise written documentation of the grantee monitoring strategy is an important tool for management use in assessing planned grantee actions against accomplishments.

VIII. Recordkeeping

Each CPD Field Office must document and be able to justify its ranking and management decisions relative to grantee and program selection for monitoring. The documented results to be recorded in GMP-R (with any exceptions noted) consist of:

- Grantee Risk Analysis Worksheets (Attachments A-1, A-2, A-3, A-4, A-5, A-6, A-7, A-8, A-9, and A-10) that provide criteria for evaluation of grantee risk by program area, evaluation comment, and electronic certification.
- GMP-R Risk Analysis Summary Report for formula and competitive grantees, with exception codes identified. Field Office Management Representatives will notate on the GMP-R Risk Analysis Summary Reports the selection method utilized and the resulting grantees and programs selected for monitoring. This constitutes the Field Office monitoring work plan.

IX. Work Plans

As a result of assessing those grantees that pose the greatest risk and program areas in need of improvement, an annual work plan will be developed in accordance with the guidance provided in Chapter 2 of the CPD Monitoring Handbook 6509.2. This work plan must be documented into GMP-R under the Work Plan Module and include the identification of:

- Grantees scheduled for monitoring.
- The programs or functions to be monitored (including, for example, lead-based paint, Section 3, and relocation reviews).
- Method and Type of monitoring, e.g., on-site, or remote.
- Scheduled timeframes for monitoring; and
- Resources needed, such as staff, travel, etc.

Work plans also include:

- Technical assistance and training to be provided to grantees; and
- Other grantees that need to be addressed as part of the annual work plan.

X. Contact Information

Questions regarding the content of this Notice may be directed to Kathleen Burke, Director, Office of Field Management, at (303) 839-2634.

Attachment A-1

**Community Development Block Grant (CDBG) Program
Formula Risk Analysis Worksheet**

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- Instances of unacceptable participant performance

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the grantee, using three of the four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. These factors include Grant Management, Financial Management, and Services & Satisfaction. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. The Evaluator should choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents the Evaluator's assessment of the information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting systems, the criteria are auto-populated with scores and comments. The Evaluator may accept these auto-populated fields or edit as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills and ability of program staff, and the grantee's administrative capacity to manage the grant, including: the grantee's ability to provide timely reports that are complete and accurate; the complexity of the grantee's program; the grantee's management of its subrecipients; open and

unresolved findings; or problems such as open or stalled activities, staff turnover, lack of experience with Federal grants or project activities, and program workload. The following reports and reporting systems should be considered, including but not limited to: Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Performance and Evaluation Reports (PERs), Technical Assistance (TA) Plans, the Integrated Disbursement and Information System (IDIS), Office of Inspector General (OIG) audits, Analysis of Impediments to Fair Housing Choice (or an Assessment of Fair Housing), HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.5, and related reporting mechanisms and systems.

The Evaluator will award point values to subfactors A, B and G. Choose only one risk score for these three subfactors from the point values listed below and enter the associated comment(s). The scores and comments for the remaining subfactors are auto-populated from IDIS data.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 1. A. Grantee Reporting How would you rate the grantee's overall reporting quality and responsiveness? Risk is based on the grantee meeting report deadlines with primary consideration given to completeness and accuracy of information contained in the Consolidated Plan, Annual Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER) or Performance and Evaluation Report (PER), and Financial Reporting, including the PR26 (Entitlement) or PR28 (State). This score is manually selected. | | | | | No |
| i. Within the last three years: the grantee has not been timely in submitting at least two reports; OR at least two reports have not been complete and/or accurate. | High | 6 | | | |
| ii. Within the last three years: the grantee has submitted at most one report that has not been complete, timely, and/or accurate. | Medium | 3 | | | |
| iii. Within the last three years: the grantee has been timely with submitting its reports and reports have been complete and accurate. | Low | 0 | | | |
| 1. B. Staff Capacity Risk is based on current grantee staff capacity and its ability to ensure programmatic compliance with the CDBG regulations, fulfill all grantee obligations, and design a program appropriate to the level of its capacity. This score is manually selected. | | | | | No |
| i. During the last three program years: the grantee has experienced turnover in at least one key position within its program administration and the grantee has designed a program more complex than the current capacity and programmatic knowledge of its staff. | High | 6 | | | |

| | | | | | |
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| ii. During the last three program years: the grantee has experienced turnover in at least one key position within its program administration; OR the grantee has designed a program that is more complex than the current capacity and programmatic knowledge of its staff. | Medium | 3 | | | |
| iii. During the last three program years: the grantee has not experienced turnover in at least one key position of its program administration and has designed a program that is comparable to the current staff's capacity and programmatic knowledge. | Low | 0 | | | |
| 1. C. Management of Subrecipients Does the grantee fund one or more large activities that are managed by subrecipients or contractors? Subrecipients include units of general local government for States. This score is auto-populated from IDIS data. | | | | | Yes |
| i. Over the last five years, the grantee has funded at least one activity for \$1,000,000 or more that is carried out by a subrecipient or contractor. | High | 6 | | | |
| ii. Over the last five years, the grantee has funded at least one activity for more than \$500,000 and less than \$1,000,000 that is carried out by a subrecipient or contractor. | Medium | 3 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 1. D. Other Risks Does the grantee either: expend a large portion of housing rehabilitation funding for costs reported as administration of the rehabilitation activities or use a significant amount of CDBG funds for code enforcement? This score is auto-populated from IDIS data. | | | | | Yes |
| i. Expenditures for rehab administration are 50 percent or more of overall housing rehab program expenditures; OR expenditures on code enforcement are 10 percent or more of grant over 5-year average; OR the grantee funded a Section 104(d) one-for-one replacement activity or a URA and/or Section 104(d) relocation activity in the past 5 years. | High | 6 | | | |
| ii. Expenditures for rehab administration are more than 20 percent but less than 50 percent of overall housing rehab program expenditures; OR expenditures on code enforcement are 5 percent or more of the grant over 5-year average. | Medium | 3 | | | |
| iii. No rehab administration and no code enforcement expenditures were reported, or they did not surpass (i) or (ii) above; and no Section 104(d) one-for-one replacement activities | Low | 0 | | | |

| | | | | | |
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| and no URA and/or Section 104(d) relocation activities have been funded in the past 5 years. | | | | | |
| 1. E. At-Risk Flags in IDIS Are a high percentage of open activities flagged in IDIS as at-risk? The flags include: 1) an activity has infrequent draws (for most activities, if there are no draws for a year or more, the activity will be flagged. For planning and administration activities, two years is allowed without a draw, or three years for State CDBG); 2) an activity has been open for three or more years, and no accomplishments have been reported; and 3) the activity is 80 percent drawn down, but no accomplishments have been reported. Note: Certain public facilities and economic development activities are not flagged. This score is auto-populated from IDIS data. | | | | | Yes |
| i. Percent of "Open" activities flagged as at-risk is more than 50%, or the amount of funds committed to the at-risk activities is more than 50% of funds that are committed to all "Open" activities; OR the amount of funds committed to at-risk activities is more than two times the current year allocation. | High | 6 | | | |
| ii. Percent of "Open" activities are flagged as at-risk is less than 50%, or the amount of funds committed to the at-risk activities is less than 50% of funds that are committed to all "Open" activities; OR the amount of funds committed to at-risk activities is less than two times the current year allocation. | Medium | 3 | | | |
| iii. The grantee has no at-risk flags, or a low percentage of activities are flagged. | Low | 0 | | | |
| 1. F. Economic Development Activities Risk is based on the grantee expending a significant amount of CDBG funding for economic development activities. This score is auto-populated from IDIS data. | | | | | Yes |
| i. Expenditures for economic development activities are 30 percent or more of one or more of its CDBG allocations. | High | 4 | | | |
| ii. The above condition doesn't exist. | Low | 0 | | | |
| 1. G. Prior Monitoring and Audit Findings Risk is based on OIG audits and the monitoring of the grantee's program by HUD to ensure compliance with program requirements within the last three years; the grantee's past performance regarding the number of open, overdue, and unresolved findings; or sanctions have been imposed; or grantee | | | | | No |

| | | | | | |
|---|----------|---|--|--|--|
| has not been monitored within the last three years. This score is manually selected. | | | | | |
| i. Within the last three years: the grantee has received two or more findings that are still open, overdue, and unresolved; OR sanctions being imposed on the grantee; OR grantee has not been monitored. | High | 6 | | | |
| ii. Within the last three years: the grantee has received one finding that is still open, overdue, and unresolved; OR grantee has had imposed sanctions removed from the grantee. | Medium | 3 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| Subtotal for Grant Management (Max. 40 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: The extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: Integrated Disbursement and Information System (IDIS), audit management systems, audits conducted under 2 CFR part 200, subpart F, findings that require repayment or grant reduction, program income, the operation of Revolving Loan Funds (RLFs), grantee’s financial records, timeliness standards, and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and grantee performance reports.

Factor 2, in its entirety, is auto-populated with scores and comments.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|---|---------------|------------|--------------------|----------------------|------------------------|
| 2. A. Grantee Audits required by 2 CFR § 200.501 Criteria: Assessment is based on the timely submission of audits required under 2 CFR § 200.501 for recipients of federal funds that expend \$750,000 or more during the non-Federal entity's fiscal year in Federal award, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether the grantee has received a finding and/or the auditor noted recommendations in a management letter based on the grantee’s current accounting practices. Audits deadlines are specified in 2 CFR § | | | | | Yes |

| | | | | | |
|---|------|----|--|--|-----|
| 200.507(c)(1) (for program-specific audits) and 2 CFR § 200.512(a)(1) (for single audits). This score is auto-populated. | | | | | |
| i. During the last three program years, the grantee has not been timely in its submission of audits required under 2 CFR § 200.501; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices. | High | 8 | | | |
| ii. None of the criteria in subfactor (i) applies. | Low | 0 | | | |
| 2. B. Administration and Planning and Public Services Caps Does the grantee exceed the caps on administration and planning or public services costs? This score is auto-populated from IDIS data. | | | | | Yes |
| i. The grantee has exceeded the program administration and planning or public services cap in one or more of the last five reported years. | High | 12 | | | |
| ii. The grantee has not exceeded the program administration and planning or public services cap in the last five reported years. | Low | 0 | | | |
| 2. C. Program Income and Revolving Funds Does the grantee have inactive cash-on-hand, program income, or revolving fund accounts? Inactive accounts may be indicative of noncompliance with cash management principles. This score is auto-populated from IDIS data. | | | | | Yes |
| i. The grantee has a local account (LA) or program income (PI) balance exceeding \$1,000 and there has been at least one year since the last transaction; OR the grantee has a revolving fund balance (RL or SF) exceeding \$10,000 and there has been at least two years since the last transaction. | High | 8 | | | |
| ii. The grantee's program income and revolving fund accounts are active; OR the grantee has not reported program income in IDIS. | Low | 0 | | | |
| 2. D. Voucher Revisions Risk is based on the grantee having numerous or large voucher revisions in IDIS. “Numerous” refers to having 20 draw revisions or more for any year in the last five years. “Large” refers to total revisions of \$500,000 or more in the last five years. This score is auto-populated from IDIS data. | | | | | Yes |
| i. The grantee has voucher revisions totaling over \$500,000 in the last 5 years; OR has 20 or more voucher revisions in the last 5 years. | High | 8 | | | |

| | | | | | |
|--|----------|---|--|--|-----|
| ii. The grantee has voucher revisions in the past 5 years of lesser amount and number than (i) above. | Medium | 4 | | | |
| iii. The grantee did not revise a voucher in the past 5 years. | Low | 0 | | | |
| 2. E. Untimely Expenditure Does the grantee regularly fail the timeliness test? This score is auto-populated from IDIS data. | | | | | Yes |
| i. The grantee failed the timeliness test in two of the last five reported years. | High | 6 | | | |
| ii. The grantee failed the timeliness test in one of the last five reported years. | Medium | 3 | | | |
| iii. The grantee appears to have met the timeliness test for the last five reported years. | Low | 0 | | | |
| 2. F. Section 108 Exposure Risk Has the grantee borrowed a significant amount using Section 108 loans by pledging the annual CDBG program for payment? This score is auto-populated from program data. | | | | | Yes |
| i. Total amounts available for commitment and unpaid balances are either over \$5 Million OR over 2.5 times the most recent CDBG allocation. | High | 6 | | | |
| ii. Total amounts available for commitment and unpaid balances are either over \$750,000 OR over 0.5 times the most recent CDBG allocation. | Medium | 3 | | | |
| iii. Either the grantee does not have a Section 108 loan OR has a Section 108 loan(s) that does not meet (i) or (ii) above. | Low | 0 | | | |
| Subtotal for Financial Management (Max. 48 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants deliver a program that is compliant and clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from, but not limited to client- or citizen-originated correspondence, grantee responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plan, Annual Action Plans, and Consolidated Annual Performance and Evaluation Reports (CAPERs) or Performance and Evaluation Reports (PERs), other financial reporting, and auto-populated tracking systems.

The Evaluator will award a point value to subfactor A. Choose only one risk score for this subfactor from the point values listed below and enter the associated comment.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 3. A. Grantee Citizen Complaints / Negative Media Exposure Do local issues, media exposure, or citizen complaints negatively impact the grantee's ability to meet program objectives? Does the grantee respond timely to citizen complaints and inquiries? Risk is based on negative media or other issues involving CDBG funding, significant negative impacts related to perceived fraud or conflict of interest, any harm to persons involved, or any activities opposed by stakeholders AND the grantee's ability to respond to these issues timely and effectively. This score is manually selected. | | | | | No |
| i. Within the last three years: the grantee has had citizen complaints, issues, or negative media exposure related to its CDBG program and the grantee has failed to respond to the complaints, issues and/or inquiries within the prescribed timeframes. | High | 12 | | | |
| ii. Within the last three years: the grantee has had citizen complaints, issues, or negative media exposure related to its CDBG program, but the grantee has responded to the complaints, issues and/or inquiries within the prescribed timeframes. | Medium | 6 | | | |
| iii. Within the last three years: the grantee has not had any complaints, issues or negative media exposure related to its CDBG program. | Low | 0 | | | |
| Subtotal for Services and Satisfaction (Max. 12 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | MAXIMUM SCORE |
|----------------------------|----------------------|
| 1. Grant Management | 40 |
| 2. Financial Management | 48 |
| 3. Services & Satisfaction | 12 |
| Total | 100 |

Attachment A-2

**Community Development Block Grant
Disaster Recovery (CDBG-DR), National Disaster Resilience (CDBG-NDR), and Mitigation (CDBG-MIT) Grants
Risk Analysis Worksheet**

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a grantee has failed to comply with requirements; or
- Instances of unacceptable grantee performance

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the grantee, using four factors: Grant Management, Financial Management, Services & Satisfaction, and Project-Specific Risk. The first three of these factors are standard factors selected by the Department. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. The Evaluator must choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents the Evaluator's assessment of the information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting systems, the criteria are auto-populated with scores and comments. The Evaluator may accept these auto-populated fields or edit as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the grantee has the capacity to carry out HUD grants according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills, and ability of the grantee's staff, and the grantee's administrative capacity to manage the grant, including: the grantee's ability to provide timely reports that are complete and accurate; the complexity of the grantee's activities; the grantee's management of its subrecipients; open

and unresolved findings; or problems such as completion of activities, staff turnover, lack of experience with Federal grants or activities. The following documents, reports and reporting systems should be considered: Action Plan(s) and substantial amendments, grantee quarterly performance reports, Financial Management and Grant Compliance Certification, Technical Assistance Plans, Disaster Recovery Grant Reporting (DRGR), Analysis of Impediments to Fair Housing Choice (or an Assessment of Fair Housing), Office of Inspector General (OIG) audits, HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.15, and related reporting mechanisms and systems.

The Evaluator will award point values to subfactor B, D, E and F. The Evaluator will choose only one risk score for these four subfactors from the point values listed below and document their determination in the Evaluator's Comment field. The remaining scores and comments for the remaining subfactors are auto-populated.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 1.A. Grantee Reporting on Recovery Progress Criteria: Risk is based on the grantee meeting report deadlines with primary consideration given to the completeness and accuracy of the information contained in the Action Plan, as amended, and grantee performance reports. | | | | | Yes |
| i. Grantee has not been timely in submitting two or more performance reports within the last three fiscal years; OR two or more submissions (performance reports or DRGR Action Plans) have been rejected as incomplete or inaccurate. | High | 8 | | | |
| ii. Grantee has not been timely in submitting one performance report within the last three fiscal years; OR one submission (performance report or DRGR Action Plan) has been rejected as incomplete or inaccurate. | Medium | 4 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 1.B. Grantee Staff Capacity and Financial Capacity Criteria: Risk is based on grantee staff capacity and ability to ensure compliance with CDBG-DR requirements. Significant staff capacity issues may include under-staffing and recent turnover of key staff. Additionally, the grantee may have a highly complex project or activity but lacks the necessary experienced and specialized staff to administer it efficiently. | | | | | No |
| i. During the last three fiscal years: the grantee has experienced turnover in one or more key positions (senior leadership; program managers for housing, economic revitalization, and infrastructure; senior personnel responsible for procurement and contract management; internal auditor) within its grant administration and | High | 14 | | | |

| | | | | | |
|---|--------|----|--|--|-----|
| the grantee has designed a project or activity that is more complex than the current capacity and programmatic knowledge of its staff; OR financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities of the CDBG-DR grants and grantee has had one or more violations or deficiencies of the applicable regulations, or <i>Federal Register</i> notices' requirements in the last three fiscal years. | | | | | |
| ii. During the last three fiscal years: the grantee has not experienced turnover in any key positions (as defined in 1.B.i. above) but has designed a project or activity that is more complex than the current capacity and programmatic knowledge of its staff; OR financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities of the CDBG-DR grant, but the grantee has not had any violations or deficiencies of the requirements, including applicable regulations or <i>Federal Register</i> notice requirements. | Medium | 10 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 1.C. Grantee Project or Activity Complexity Criteria: Risk is based on the complexity of the grantee's projects or activities, primarily the number and variety of activity types the grantee is undertaking, which may pose a challenge to the grantee's staff regarding compliance and reporting. | | | | | Yes |
| i. The grantee is administering a grant that implements ten or more activity types. | High | 10 | | | |
| ii. The grantee is administering a grant that implements at least five but not more than nine activity types. | Medium | 6 | | | |
| iii. The grantee is administering a grant that implements four or fewer activity types. | Low | 0 | | | |
| 1.D. Grantee Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on OIG audits and the monitoring of the CDBG-DR grants by HUD to ensure compliance with applicable requirements within the last three years; the grantee's past performance regarding the number of open, overdue, and unresolved findings; sanctions imposed; and time since last monitoring. | | | | | No |

| | | | | | |
|---|--------|---|--|--|----|
| i. Within the last three fiscal years: the grantee has received two or more findings that are still open; OR sanctions have been imposed on the grantee; OR grantee has not been monitored. | High | 8 | | | |
| ii. Within the last three fiscal years: the grantee has been monitored at least one time and has received one finding that is still open; OR has had imposed sanctions removed. | Medium | 4 | | | |
| iii. Within the last three fiscal years: the grantee has been monitored at least once, has no open findings, and no sanctions that were imposed. | Low | 0 | | | |
| 1.E. Grantee's Management of Subrecipients Criteria: Risk is based on the grantee's reliance on and management of its subrecipients. | | | | | No |
| i. Grantee has demonstrated a lack of management over its subrecipients, contractors, or state recipients. This has been demonstrated by, including but not limited to, the lack of a program monitoring schedule, late or inaccurate reporting on activities and/or projects, missing or inaccurate accomplishments being reported in DRGR, its recordkeeping system, HUD management monitoring findings within the last three grant years, etc. | High | 8 | | | |
| ii. Grantee uses subrecipients or state recipients to administer the program or relies on a contractor to deliver program services but has not demonstrated a lack of management over its subrecipients, contractors or state recipients. | Medium | 4 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 1.F. Grantee Pre-Award Risk Assessment Criteria: All CDBG-DR and CDBG-MIT grants awarded since 2017 require a Pre-Award Risk Assessment to identify risks associated with the grantee's implementation of the award and develop specific grant conditions to mitigate those risks. The identification of risks and conditions to mitigate risk are based on the conclusions of the Pre-Award Risk Assessment for each grant award. | | | | | No |
| i. The Pre-Award Risk Assessment identified an unmitigated risk which resulted in one or more grant conditions and any resulting grant condition is still in effect at the time of this risk analysis. | High | 2 | | | |
| ii. The Pre-Award Risk Assessment identified an unmitigated risk which resulted in one or more grant conditions, but the grantee | Medium | 1 | | | |

| | | | | | |
|---|----------|---|--|--|--|
| has met the conditions outlined in the grant agreement and the specific conditions have been removed. | | | | | |
| iii. The grantee has not received funds since 2017; OR no unmitigated risks were identified through the Pre-Award Risk Assessment. | Low | 0 | | | |
| Subtotal for Grant Management (Max. 50 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: The extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure for the Department.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: Disaster Recovery Grant Reporting System (DRGR), audit management systems, audits conducted under 2 CFR part 200, subpart F, findings that require repayment or grant reduction, program income, the operation of Revolving Loan Funds (RLFs), grantee’s financial records, timeliness standards, and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and grantee performance reports.

Factor 2, in its entirety, is auto-populated with scores and comments.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|---|---------------|------------|--------------------|----------------------|------------------------|
| 2.A. CDBG-DR Grant Amount Criteria: Risk is based on the relative amount of the grantee’s CDBG-DR grant and the age of the most recent grant. | | | | | Yes |
| i. During the most recent fiscal year, the grantee was awarded CDBG-DR funds more than three times its current CDBG grant amount for the most recent federal fiscal year; OR the grantee is a new CDBG-DR grant recipient. | High | 8 | | | |
| ii. During the most recent fiscal year, the grantee was awarded CDBG-DR funds between two and three times its current CDBG grant amount for the most recent federal fiscal year. | Medium | 6 | | | |
| iii. None of the above conditions applies. | Low | 0 | | | |
| 2.B. Grantee Program Income, Revolving Loan Fund, or Float-Funded Activities Criteria: Risk is based on the grantee’s use of program income, revolving loan funds activities. | | | | | Yes |

| | | | | | |
|--|----------|---|--|--|-----|
| i. The grantee or its subrecipient(s) received \$1,000,000 or greater in program income; OR funded activities with funds from a Revolving Loan Fund. | High | 4 | | | |
| ii. The grantee or its subrecipient(s) received less than \$1,000,000 in program income. | Medium | 2 | | | |
| iii. The grantee or its subrecipient(s) has not generated any program income or funded activities with funds from a Revolving Loan Fund. | Low | 0 | | | |
| 2.C. Grantee Progress on Expenditure Criteria: Assessment is based on whether the grantee is on track to meet applicable expenditure deadlines based on data entered in DRGR. | | | | | Yes |
| i. The grantee is not on track to meet applicable expenditure deadlines as demonstrated by the grantee's overseeing any grant with a spending status of "Slow Spender" on the CDBG-DR Grants Financial Report for three or more months in the last fiscal year. | High | 8 | | | |
| ii. None of the above conditions applies. | Low | 0 | | | |
| 2.D. Grantee Audits required by 2 CFR § 200.501 Criteria: Assessment is based on the timely submission of audits required under 2 CFR § 200.501 for recipients of federal funds that expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether the grantee has received a finding and/or the auditor noted recommendations in a management letter based on the grantee's current accounting practices. Audits deadlines are specified in 2 CFR § 200.507(c)(1) (for program-specific audits) and 2 CFR § 200.512(a)(1) (for single audits). | | | | | Yes |
| i. During the last three fiscal years, the grantee has not been timely in its submission of audits required under 2 CFR § 200.501; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices. | High | 6 | | | |
| ii. None of the above conditions exists. | Low | 0 | | | |
| Subtotal for Financial Management (Max. 26 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD grantees deliver grant activities and projects that are compliant and clients express satisfaction or dissatisfaction with the delivery of grant activities and projects.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from, but not limited to client- or citizen-originated correspondence, grantee responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Action Plans, grantee performance reports, and auto-populated tracking systems.

The Evaluator will award a point value to subfactor A. The Evaluator will choose only one risk score for this subfactor from the point values listed below and document their determination in the Evaluator’s Comment field.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|--|---------------|------------|--------------------|----------------------|------------------------|
| 3.A. Grantee Citizen Complaints / Negative Media Exposure Criteria: Do local issues, media exposure, or citizen complaints negatively impact the grantee's ability to meet program objectives? Does the grantee respond timely to citizen complaints and inquiries? Risk is based on negative media or other issues involving CDBG-DR grants, significant negative impacts related to perceived fraud or conflicts of interest, any harm to persons involved, or any activities opposed by stakeholders AND the grantee's ability to respond to these issues timely and effectively. | | | | | No |
| i. Within the last three years: the grantee has had citizen complaints, issues, or negative media exposure related to its CDBG-DR grants and the grantee has not responded to the complaints, issues and/or inquiries within the prescribed timeframes. | High | 8 | | | |
| ii. Within the last three years: the grantee has had citizen complaints, issues, or negative media exposure related to its CDBG-DR grants, but the grantee has responded to the complaints, issues and/or inquiries within the prescribed timeframes. | Medium | 4 | | | |
| iii. Within the last three years: the grantee has not had any complaints, issues or negative media exposure related to its CDBG-DR grants. | Low | 0 | | | |

| | | | | | |
|---|----------|--|--|--|--|
| Subtotal for Services and Satisfaction (Max. 8 pts.) | Subtotal | | | | |
|---|----------|--|--|--|--|

FACTOR 4 – PROJECT-SPECIFIC RISK

Factor Definition: Extent to which grantees develop and deliver different types of disaster recovery projects and activities that are compliant and meet the recovery needs of the impacted communities.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from, but not limited to consideration of the types of projects or activities the grantee is implementing and the grantee’s administrative capacity to manage specific projects and activities effectively; the complexity of the specific recovery projects and activities, and open and unresolved findings specific to the projects. The following documents, reports and reporting systems should be considered, including but not limited to: Action Plans, grantee performance reports, Technical Assistance Plans, Disaster Recovery Grant Reporting (DRGR), Office of Inspector General (OIG) audits, and related reporting mechanisms and systems.

Factor 4, in its entirety, is auto-populated with scores and comments. A grantee may have multiple grants or activities that receive a high, medium, or low Risk Score. In these instances, the grantee will be assigned the highest Risk Score associated with any of the grantee’s grants or activities reviewed.

| FACTOR 4 – PROJECT-SPECIFIC RISK | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|--|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 4.A. Housing Rehabilitation and Reconstruction Criteria: Risk is based on the grantee’s administering a housing rehabilitation or reconstruction assistance project or activity effectively based on the amount of funds drawn and point in the life cycle of the grant. | | | | | Yes |
| i. Grantee has a housing rehabilitation or reconstruction activity that is beyond the projected start date and the grantee has not drawn funds against the activity as of the end of the fiscal year; OR a grant beyond three years of grant agreement execution date and the grantee has drawn less than 50% of budgeted funds for the activity. | High | 4 | | | |
| ii. Grantee has a grant beyond three years of grant agreement execution date and the grantee has drawn at least 50% but not more than 75% of budgeted funds for the activity. | Medium | 2 | | | |
| iii. None of the above conditions applies. | Low | 0 | | | |

| | | | | | |
|--|--------|---|--|--|-----|
| 4.B. Acquisition and/or Buyout Criteria: Risk is based on the grantee's administering an acquisition or buyout project or activity effectively based on the amount of funds drawn and point in the life cycle of the grant. | | | | | Yes |
| i. Grantee has an acquisition and/or buyout activity that is beyond the projected start date and the grantee has not drawn funds against the activity as of the end of the fiscal year; OR grantee has a grant beyond three years of grant agreement execution date and the grantee has drawn less than 50% of budgeted funds for the activity. | High | 4 | | | |
| ii. Grantee has a grant beyond three years of grant agreement execution date and the grantee has drawn at least 50% but not more than 75% of budgeted funds for the activity. | Medium | 2 | | | |
| iii. None of the above conditions applies. | Low | 0 | | | |
| 4.C. Economic Revitalization Criteria: Risk is based on the grantee's administering small business assistance or other economic revitalization project or activity effectively based on the amount of funds drawn and point in the life cycle of the grant. | | | | | Yes |
| i. Grantee has an economic revitalization activity that is beyond the projected start date and the grantee has not drawn funds against the activity as of the end of the fiscal year; OR grantee has a grant beyond 3 years of grant agreement execution date and the grantee has drawn less than 50% of budgeted funds for the activity. | High | 4 | | | |
| ii. Grantee has a grant beyond 3 years of grant agreement execution date and the grantee has drawn at least 50% but not more than 75% of budgeted funds for the activity. | Medium | 2 | | | |
| iii. None of the above conditions applies. | Low | 0 | | | |
| 4.D. Infrastructure Criteria: Risk is based on the grantee administering an infrastructure project or activity effectively, based on the point in the life cycle of the grant. | | | | | Yes |
| i. Grantee has an infrastructure activity that is beyond the projected start date and the grantee has not drawn funds against the activity as of the end of the fiscal year; OR the date the grant was signed by HUD was at least 3 years prior to this risk scoring | High | 4 | | | |

| | | | | | |
|---|----------|---|--|--|--|
| and the grantee has obligated less than 50% of budgeted funds for the infrastructure activity. | | | | | |
| ii. Grantee does not have any grants or activities that fit into category i., has a grant within 24 months of expenditure deadline, and grantee has drawn less than 75% of budgeted funds for the infrastructure activity; OR grantee has a grant with no expenditure deadline beyond 4 years of the date the grant is signed by HUD and the grantee has drawn more than 50% but less than 75% of budgeted funds for the activity. | Medium | 2 | | | |
| iii. None of the above conditions applies. | Low | 0 | | | |
| Subtotal for Project-Specific Risk (Max. 16 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | MAXIMUM SCORE |
|----------------------------|---------------|
| 1. Grant Management | 50 |
| 2. Financial Management | 26 |
| 3. Services & Satisfaction | 8 |
| 4. Project-Specific | 16 |
| Total | 100 |

Attachment A-3

**Neighborhood Stabilization Program (NSP)
Risk Analysis Worksheet**

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- Instances of unacceptable participant performance

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the grantee, using three of the four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. These factors include Grant Management, Financial Management, and Services & Satisfaction. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. The Evaluator should choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting systems, the criteria are auto-populated with scores and comments. The evaluator may accept these auto-populated fields or edit, as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills, and ability of program staff, and the grantee's administrative capacity to manage the grant, including: the grantee's ability to provide timely reports that are complete and accurate; the complexity of the grantee's program; the grantee's management of its subrecipients; open and unresolved findings; or problems such as open or stalled activities, staff turnover, lack of experience with Federal grants or project activities, and program

NSP (Attachment A-3)

workload. The following reports and reporting systems should be considered, including but not limited to: Action Plans, Quarterly Performance Reports (QPRs), Technical Assistance Plans, Disaster Recovery Grant Reporting (DRGR), Analysis of Impediments to Fair Housing Choice (or an Assessment of Fair Housing), Office of Inspector General (OIG) audits, HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.15, and other reporting mechanisms and systems.

The Evaluator should award point values to subfactors B, D, and E. For subfactor B, a grant status of “Ready to Close” in DRGR will override other considerations in awarding a point value. Choose only one risk score for these three subfactors from the point values listed below and enter the associated comment(s), if appropriate. The remaining scores and comments for the remaining subfactors are auto-populated from DRGR data.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 1.A. Grantee Reporting How would you rate the grantee's overall reporting quality and responsiveness? Risk is based on the grantee meeting report deadlines with primary consideration given to completeness and accuracy of information contained in the Action Plan and Quarterly Performance Report (QPR). This score is auto-populated. | | | | | Yes |
| i. The grantee has not been timely in submitting at least two reports within the last three years; OR at least two reports have not been complete and/or accurate. | High | 8 | | | |
| ii. The grantee has submitted at most one report within the last three years that has not been complete, timely, and/or accurate. | Medium | 4 | | | |
| iii. Within the last three years, the grantee has been timely with submitting its reports, and they have been complete and accurate. | Low | 0 | | | |
| 1.B. Staff Capacity Risk is based on current grantee staff capacity and its ability to ensure programmatic compliance with the NSP and applicable CDBG regulations, fulfill all grantee obligations, and design a program appropriate to the level of its capacity. This score is manually selected. | | | | | No |
| i. During the last three program years: the grantee has experienced turnover in at least one key position within its program administration and the grantee has designed a program more complex than the current capacity and programmatic knowledge of its staff. | High | 14 | | | |
| ii. During the last three program years: the grantee has experienced turnover in at least one key position within its program administration; OR the grantee has designed a program | Medium | 8 | | | |

| | | | | | |
|--|--------|----|--|--|-----|
| that is more complex than the current capacity and programmatic knowledge of its staff. | | | | | |
| iii. The grantee has not experienced turnover in at least one key position of its program administration and has designed a program that is comparable to the current staff's capacity and programmatic knowledge; OR the grantee has a NSP grant that has been marked "Ready to Close" in DRGR as its grant status. | Low | 0 | | | |
| 1.C. Grantee Land Banking Activities Risk is based on the grantee's undertaking land banking activities. This score is auto-populated. | | | | | Yes |
| i. Within the last three grant years, the grantee has disposed of land-banked properties and either it or its subrecipients (including contractors and state recipients) operates or has operated a land bank. | High | 4 | | | |
| ii. Within the last three grant years, the grantee has disposed of land-banked properties. | Medium | 2 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 1.D. Grantee Findings and Sanctions (Monitoring and OIG) Risk is based on OIG audits and the monitoring of the grantee's program by HUD to ensure compliance with program requirements within the last three grant years; the grantee's past performance regarding the number of open, overdue, and unresolved findings; OR sanctions have been imposed; OR the grantee has not been monitored within the last three grant years. This score is manually selected. | | | | | No |
| i. Within the last three years: the grantee has received two or more findings that are still open, overdue, and unresolved; OR sanctions have been imposed on the grantee; OR grantee has not been monitored. | High | 10 | | | |
| ii. Within the last three years: the grantee has had imposed sanctions removed from the grantee. | Medium | 6 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 1.E. Management of Subrecipients Risk is based on the grantee's management of its subrecipients. This score is manually selected. | | | | | No |
| i. Grantee (including States for its state recipients) has demonstrated a lack of management over its subrecipients. This has been demonstrated by, including but not limited to, the lack of a program monitoring schedule, late or inaccurate reporting on activities and/or projects, missing or inaccurate accomplishments | High | 4 | | | |

| | | | | | |
|--|----------|---|--|--|--|
| being reported in DRGR, its recordkeeping system, HUD management monitoring findings within the last three grant years, etc. | | | | | |
| ii. Grantee uses subrecipients and/or contractors and, for state grantees, uses subgrantees to help administer the program. | Medium | 2 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| Subtotal for Grant Management (Max. 40 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT:

Factor Definition: The extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: Disaster Recovery Grant Reporting System (DRGR), audit management systems, single audits, findings that require repayment or grant reduction, program income, the operation of Revolving Loan Funds (RLFs), Loan Servicing, grantee's financial records, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and grantee performance reports.

Factor 2, in its entirety, is auto-populated with scores and comments.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|--|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 2.A. NSP Grant Balance Risk is based on the total LOC balance of the grantee's NSP grant(s) [NSP-1, NSP-2, and NSP-3]. This score is auto-populated. | | | | | Yes |
| i. \$500,000 or greater. | High | 12 | | | |
| ii. At least \$100,000 but less than \$500,000. | Medium | 8 | | | |
| iii. Less than \$100,000. | Low | 0 | | | |
| 2.B. Grantee Expenditures Risk is based on the expenditure rate/activity of Active grants. This score is auto-populated. | | | | | Yes |
| i. The grantee has an active grant with no expenditures over the last 12 quarters. | High | 15 | | | |
| ii. The grantee has an active grant with no expenditures over the last 4 quarters. | Medium | 10 | | | |

| | | | | | |
|--|----------|----|--|--|-----|
| iii. The grantee has an active grant with expenditures over the last 4 quarters. | Low | 0 | | | |
| 2.C. Voucher Revisions Risk is based on the frequency and dollar amount of NSP voucher revisions. This score is auto-populated. | | | | | Yes |
| i. The grantee has made voucher revisions totaling \$5 million or more over the last 12 quarters. | High | 15 | | | |
| ii. The grantee has made voucher revisions totaling \$500,000 or more, but less than \$5 million, over the last 12 quarters. | Medium | 10 | | | |
| iii. The grantee has made voucher revisions totaling less than \$500,000 over the last 12 quarters. | Low | 0 | | | |
| 2.D. Grantee Audits required by 2 CFR § 200.501 Assessment is based on the timely submission of audits required under 2 CFR § 200.501 for recipients of federal funds that expend \$750,000 or more in Federal awards during the non-Federal entity's fiscal year, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether the grantee has received a finding and/or the auditor noted recommendations in a management letter based on the grantee's current accounting practices. Audit deadlines are specified in 2 CFR §200.507(c)(1) (for program-specific audits) and 2 CFR § 200.512(a)(1) (for single audits). This score is auto-populated. | | | | | Yes |
| i. During the last three program years, the grantee has not been timely in its submission of audits required under 2 CFR § 200.501; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices. | High | 6 | | | |
| ii. None of the criteria in subfactor (i) applies. | Low | 0 | | | |
| Subtotal for Financial Management (Max. 48 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants deliver a program that is compliant and clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to client- or citizen-originated correspondence, grantee responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press

information, loss of community support, failure to reply or submit reports, Action Plans, Quarterly Performance Reports (QPRs), and automated tracking systems.

The Evaluator will award a point value to subfactor A. There should only be one risk score for the subfactor from the point values listed below. The Evaluator must document their determination in the Evaluator's Comments field.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 3.A. Grantee Citizen Complaints / Negative Media Exposure Do local issues, media exposure, or citizen complaints negatively impact the grantee's ability to meet program objectives? Does the grantee respond timely to citizen complaints and inquiries? Risk is based on negative media or other issues involving NSP funding, significant negative impacts related to perceived fraud or conflict of interest, any harm to persons involved, or any activities opposed by stakeholders AND the grantee's ability to respond to these issues timely and effectively. This score is manually selected. | | | | | No |
| i. Within the last three years: the grantee has had citizen complaints, issues, or negative media exposure related to its NSP funding and the grantee has failed to respond to the complaints, issues and/or inquiries within the prescribed timeframes. | High | 12 | | | |
| ii. Within the last three years: the grantee has had citizen complaints, issues, or negative media exposure related to its NSP funding, but the grantee has responded to the complaints, issues and/or inquiries within the prescribed timeframes. | Medium | 6 | | | |
| iii. Within the last three years: the grantee has not had any complaints, issues or negative media exposure related to its NSP funding. | Low | 0 | | | |
| Subtotal for Services and Satisfaction (Max. 12 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | MAXIMUM SCORE |
|----------------------------|----------------------|
| 1. Grant Management | 40 |
| 2. Financial Management | 48 |
| 3. Services & Satisfaction | 12 |
| Total | 100 |

Attachment A-4

**HOME Investment Partnerships (HOME) Program
Formula Risk Analysis Worksheet**

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- Instances of unacceptable participant performance

Participating Jurisdiction (PJ) Risk is assessed to:

- Determine PJs that pose the highest risk to the Department
- Identify PJs to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase PJ effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the PJ, using three of the four standard factors selected by the Department to determine the level of risk a PJ may pose to a HUD program. These factors include Grant Management, Financial Management, and Services & Satisfaction. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. The Evaluator should choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the information available on this PJ. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting systems, the criteria are auto-populated with scores and comments. The Evaluator may accept these auto-populated fields or edit as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills and ability of program staff, and the PJ's administrative capacity to manage the grant, including: the PJ's ability to provide timely reports that are complete and accurate; the complexity of the PJ's program; the PJ's management of its subrecipients; open and unresolved findings; or problems such as open or stalled activities, staff turnover, lack of experience with Federal grants or project activities, and program workload. The following

reports and reporting systems should be considered, including but not limited to: Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Performance and Evaluation Reports (PERs), Technical Assistance (TA) Plans, the Integrated Disbursement and Information System (IDIS), Office of Inspector General (OIG) audits, Analysis of Impediments to Fair Housing Choice (or an Assessment of Fair Housing), HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.5, and related reporting mechanisms and systems.

The Evaluator will award point values to subfactors E and H. Choose only one risk score for these two subfactors from the point values listed below and enter the associated comment(s), if appropriate. The remaining scores and comments for the remaining subfactors are auto-populated from IDIS data.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 1.A. Involuntarily Terminated Status Does the PJ have activities that failed to meet the 4-year project completion requirement or are at-risk of missing the 4-year project completion requirement? Risk is based on HOME regulations in 24 CFR § 92.205(e) that require the PJ to complete a HOME project within 4 years of executing a legally binding written agreement evidencing a commitment of HOME funds. Projects that do meet this requirement are automatically flagged for involuntary termination in HUD's Integrated Disbursement and Information System (IDIS). This score is auto-populated from IDIS data. | | | | | Yes |
| i. The PJ has at least one involuntarily terminated activity in IDIS. | High | 15 | | | |
| ii. The PJ has received at least one warning flag for involuntary termination within 30 and 90 days; OR the PJ has been flagged for involuntary termination in the past 365 days. | Medium | 10 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 1.B. Infrequent Draw Status Does the PJ have activities that are flagged for Infrequent Draw for 12 Months or More? Risk is based on HOME projects that are not disbursing funds timely, which may be an indication of stalled projects. IDIS automatically flags activities for which HOME funds have been disbursed, but there have not been any disbursements in a 12-month period. The risk is calculated by determining the average number of infrequent draw flags among all activities with infrequent draw flags. This score is auto-populated from IDIS data. | | | | | Yes |
| i. The PJ has an average of 4 or more flags for all activities flagged for Infrequent Draw for 12 months or more. | High | 5 | | | |

| | | | | | |
|--|--------|----|--|--|-----|
| ii. The PJ has an average of 2 or more, but fewer than 4 flags for all activities flagged for Infrequent Draw for 12 months or more. | Medium | 3 | | | |
| iii. The PJ has an average of fewer than 2 flags for activities flagged Infrequent Draw for 12 months or more. | Low | 0 | | | |
| 1.C. Percent of Infrequent Draw Status Does the PJ have activities that are flagged for Infrequent Draw for 12 Months or More? Risk is based on HOME projects that are not disbursing funds timely, which may be an indication of stalled projects. IDIS automatically flags activities for which HOME funds have been disbursed, but there haven't been any drawdowns in a 12-month period. The metric is calculated based on the percentage of all open HOME activities flagged for Infrequent Draws. This score is auto-populated from IDIS data. | | | | | Yes |
| i. 100% - 14% of the PJ's open HOME activities are flagged for Infrequent Draw for 12 months or more. | High | 5 | | | |
| ii. More than 0 and less than 14% of the PJ's open HOME activities are flagged for Infrequent Draw for 12 months or more. | Medium | 3 | | | |
| iii. The PJ has 0 HOME activities that are flagged for Infrequent Draw for 12 months or more. | Low | 0 | | | |
| 1.D. Time to Project Completion Does the PJ take a reasonable amount of time, on average, to move HOME projects from commitment to completion in comparison to a significant majority of PJs? Risk is calculated based on the average number of years it takes for the PJ to complete HOME projects. This score is auto-populated from IDIS data. | | | | | Yes |
| i. The PJ takes longer than 94% or more of PJs to move projects from commitment to completion. | High | 10 | | | |
| ii. The PJ takes longer than 70% or more of PJs but less time than 94% of PJs to move projects from commitment to completion. | Medium | 5 | | | |
| iii. The PJ takes less time than 70% or more of PJs to move projects from commitment to completion. | Low | 0 | | | |
| 1.E. Staff Capacity Do staffing issues negatively impact the PJ's ability to carry out programs? Risk is based on PJ staff capacity to ensure programmatic compliance with HOME requirements, fulfill all PJ obligations, and design a program appropriate to the level of its capacity. Significant staff capacity issues may include under-staffing and recent turnover of key staff. Additionally, the PJ may have a highly complex program but lack the necessary | | | | | No |

| | | | | | |
|--|--------|----|--|--|-----|
| experienced and specialized staff to administer it effectively and efficiently. This score is manually selected and not scaled. | | | | | |
| i. Significant staff capacity issues are negatively impacting the PJ's program administration. In the last 3 program years: the PJ has experienced turnover in at least 1 key position within its program administration and the program the PJ has designed is more complex than the current capacity and programmatic knowledge of the staff. | High | 10 | | | |
| ii. Moderate staff capacity issues are creating challenges for the PJ's program administration. In the last 3 program years: the PJ has experienced turnover in at least 1 key position within its program administration; OR the PJ has designed a program that is more complex than the current capacity and programmatic knowledge of its staff. | Medium | 5 | | | |
| iii. The PJ has a low risk of compliance problems stemming from staff capacity issues. The PJ has not experienced recent turnover in at least one key position of its program administration and has designed a program that is comparable to the current staff's capacity and programmatic knowledge. | Low | 0 | | | |
| 1.F. Grantee Audits required by 2 CFR § 200.501 Assessment is based on the timely submission of audits required under 2 CFR § 200.501 for recipients of federal funds that expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether the PJ has received a finding and/or the auditor noted recommendations in a management letter based on the PJ's current accounting practices. Audits deadlines are specified in 2 CFR § 200.507(c)(1) (for program-specific audits) and 2 CFR § 200.512(a)(1) (for single audits). | | | | | Yes |
| i. During the last 3 program years, the PJ has not been timely in its submission of audits required under 2 CFR § 200.501; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices. | High | 5 | | | |
| ii. None of the criteria in subfactor (i) applies. | Low | 0 | | | |
| 1.G. CPD Monitoring Findings How would you rate the overall severity of prior CPD monitoring findings and their resolution? This score is automatically generated using GMP-R data. | | | | | Yes |

| | | | | | |
|---|----------|---|--|--|----|
| i. The PJ currently has unaddressed open CPD monitoring findings. | High | 5 | | | |
| ii. Within the last 3 fiscal years, the PJ had CPD monitoring findings that are either closed or corrective actions are being carried out by the PJ. | Medium | 3 | | | |
| iii. The PJ has had no CPD monitoring findings within the last 3 fiscal years. | Low | 0 | | | |
| 1.H. Reporting Quality How would you rate the PJ's overall reporting quality? This score is manually selected and not scaled. | | | | | No |
| i. Within the last 3 program years, the PJ's Con Plans/Action Plans/CAPERs were not submitted timely (including if extensions were requested) or submissions were not complete or accurate, and HOME activity reporting in IDIS was incomplete, inaccurate, or lacked detail (e.g., activities not marked completed in IDIS; unit occupancy not reported in IDIS). | High | 5 | | | |
| ii. Within the last 3 program years, HOME activity reporting in IDIS was incomplete, inaccurate, or lacked detail (e.g., activities not marked completed in IDIS; unit occupancy not reported in IDIS). | Medium | 3 | | | |
| iii. Within the last 3 program years, the PJ's overall reporting quality is sufficient or better. | Low | 0 | | | |
| Subtotal for Grant Management (Max. 60 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT:

Factor Definition: The extent to which the PJ accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: Integrated Disbursement and Information System (IDIS), audit management systems, Single audits, audit or monitoring findings that require repayment or grant reduction, program income, PJ's financial records, timeliness standards, and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and PJ performance reports. Choose only one risk score for this subfactor from the point values listed below and enter the associated comment if appropriate.

All scores and comments for the subfactors are auto-populated from IDIS data.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|---------------|------------|--------------------|----------------------|------------------------|
| 2.A. Final Draw Status Does the PJ have activities that remain open 120 days or more after the final drawdown of HOME funds for a project? Risk is based on HOME regulations at 24 CFR § 92.502(d) that require PJs to complete projects within 120 days of the final disbursement of funds in IDIS. Final Draw Status indicates the PJ has fully disbursed all funds committed to the project in IDIS. The score is derived by looking at the PJ's open HOME activity which has the most days since its final draw date. | | | | | Yes |
| i. The PJ has at least 1 open activity that was in Final Draw Status 120 days or more from the date the report/data is run. | High | 10 | | | |
| ii. The PJ has at least 1 open activity that was in Final Draw Status 30 days or more but fewer than 120 days from the date the report/data is run. | Medium | 5 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 2.B. Allocation Years Unexpended Does the PJ have a large number of years' worth of unexpended HOME funds when compared to a recent HOME allocation? Risk is calculated based on the PJ's average number of years of unexpended HOME funds. The calculation takes a PJ's total LOCCS grant balance and divides it by the obligated amount of the PJ's recent fiscal year's HOME grant. This score is auto-populated from IDIS data. | | | | | Yes |
| i. The PJ is in the top 33% of PJs with years of unexpended HOME funds when compared to other PJs. | High | 15 | | | |
| ii. The PJ is in the top 66% but under the top 33% of PJs with years of unexpended HOME funds when compared to other PJs. | Medium | 10 | | | |
| iii. The PJ is under the top 66% of PJs with years of unexpended HOME funds when compared to other PJs. | Low | 0 | | | |
| 2.C. Repayments In the last 3 program years, has the PJ repaid funds for ineligible costs or activities? Risk is calculated based on the amount of HOME funds repaid to the Treasury account, the local account, or through a voluntary grant reduction, as a percent of the PJ's recent fiscal year's HOME allocation. This score is auto-populated from IDIS data. | | | | | Yes |

| | | | | | |
|--|----------|----|--|--|--|
| i. The PJ has repaid HOME funds in the last 3 program years and the PJ's calculated risk is higher than the calculated risk is in the top 50% of PJs that repaid HOME funds in the last 3 program years. | High | 10 | | | |
| ii. The PJ has repaid HOME funds in the last 3 program years but its calculated risk is lower than the calculated risk of 50% of PJs that repaid HOME funds in the last 3 program years. | Medium | 7 | | | |
| iii. The PJ has not repaid HOME funds in the last 3 program years. | Low | 0 | | | |
| Subtotal for Financial Management (Max. 35 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants deliver a program that is compliant and clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to client- or citizen-originated correspondence, PJ responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plan, Annual Action Plans, and Consolidated Annual Performance and Evaluation Reports (CAPERs) and other financial reporting, and auto-populated tracking systems.

The Evaluator will award a point value to subfactor A. Choose only one risk score for this subfactor from the point values listed below and enter the associated comment if appropriate.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|--|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 3.A. PJ Responsiveness / Negative Media Exposure or Citizen Complaints Do local issues, media exposure, or citizen complaints negatively impact the PJ's ability to meet program objectives? Does the PJ respond timely to citizen complaints and inquiries? Risk is based on negative media or other issues involving HOME funding, significant negative impacts related to perceived fraud or conflict of interest, any harm to persons involved, or any activities opposed by stakeholders AND the PJ's ability to respond to these | | | | | No |

| | | | | | |
|--|----------|---|--|--|--|
| issues timely and effectively. This score is manually selected and not scaled. | | | | | |
| i. In the last 3 years, the PJ has one or more instances of negative local issues, media exposure, or citizen complaints related to its HOME program and has not responded timely or effectively to these issues or complaints. | High | 5 | | | |
| ii. In the last 3 years, the PJ has one or more instances of negative local issues, media exposure, or citizen complaints related to its HOME program or has not responded timely or effectively to issues or complaints. | Medium | 3 | | | |
| iii. In the last 3 years, the PJ has not had any instances of negative local issues, media exposure, or citizen complaints related to its HOME program. | Low | 0 | | | |
| Subtotal for Services and Satisfaction (Max. 5 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | MAXIMUM SCORE |
|----------------------------|---------------|
| 1. Grant Management | 60 |
| 2. Financial Management | 35 |
| 3. Services & Satisfaction | 5 |
| Total | 100 |

Attachment A-5

**Emergency Solutions Grants
Formula Risk Analysis Worksheet**

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a recipient has failed to comply with program requirements; or
- The recipient has performed unacceptably
-

Recipient Risk is assessed to:

- Determine recipients that pose the highest risk to the Department
- Identify recipients to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase recipient effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the recipient, using the four standard factors selected by the Department to determine the level of risk a recipient may pose to a HUD program. The four factors include: Grant Management, Financial Management, Services & Satisfaction, and Physical. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. The Evaluator should choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this recipient. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting system, the criteria are auto-populated with scores and comments. The evaluator may accept these auto-populated fields or edit as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the recipient has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is based on information that directly evidences the recipient's capacity to administer the grant, including the scope of eligible activities and subrecipients; progress in implementing the project, changes in staff during the last year, lack of experience with Federal grants or project activities, and frequency and level of technical assistance required by the recipient/subrecipient to carry out activities. The following reports and reporting systems can be considered, including but not limited to: Consolidated Plans, Consolidated Annual Performance

ESG (Attachment A-5)

and Evaluation Reports (CAPERs), Integrated Disbursement and Information System (IDIS), Analysis of Impediments to Fair Housing Choice (or an Assessment of Fair Housing), Office of Inspector General (OIG) audits, and other reporting mechanisms and systems. Environmental Compliance, Relocation, and Acquisition Policies Compliance, and Flood Insurance Protection Compliance may be considered. ESG funds may be used for various eligible activities, including renovation and shelter operation activities. Each building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years as specified in 24 CFR § 576.102(c)(1), unless the only ESG funds used for the renovation were ESG-CV funds (and/or FY2020 or earlier fiscal year ESG funds used in accordance with section IV of the [ESG-CV Notice \(Notice CPD-21-08\)](#)), the shelter meets the “temporary emergency shelter” definition in the ESG-CV Notice, and the building is used and disposed of as provided by 2 CFR § 200.311.)

The 3- or 10-year period of use requirement starts on the date the building is first occupied by a homeless individual or family after the completed renovation.

The Evaluator will award point values to subfactors B and D. Choose only one risk score for each subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|--|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 1.A. Recipient Reporting Criteria: Risk is based on the recipient meeting deadlines while ensuring completeness and accuracy of information contained therein. Reports and submissions include Consolidated Annual Performance and Evaluation Reports (CAPERs). | | | | | Yes |
| i. Two or more of recipient’s required CAPER submissions for the last three program years were not submitted within the prescribed timeframe. | High | 8 | | | |
| ii. At least one of the CAPER submissions has not been received within the prescribed timeframe for the last three program years. | Medium | 4 | | | |
| iii. All recipient’s required CAPER submissions are complete and have been received by the Field Office within prescribed timeframes for the three most recent program years. | Low | 0 | | | |
| 1.B. Recipient Staff Capacity Criteria: Risk is based on the current staff’s ability to ensure compliance with the regulations and fulfill all of the recipient’s obligations under the program (includes financial staff that may be separate from administrative). (Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with regulations.) | | | | | No |
| i. During the last three program years: key staff have demonstrated an inability to administer the ESG program as evidenced through serious or numerous violations of regulations, recurring monitoring finding(s), or failure to resolve open findings timely, or poor | High | 8 | | | |

| | | | | | |
|---|--------|---|--|--|-----|
| performance that is ongoing that the recipient has failed to improve within a reasonable time period; OR one or more vacancies for key ESG staff have existed for more than six months. | | | | | |
| ii. Although key staff have not demonstrated an inability to administer the ESG program as specified in (i) above, one or more vacancies for key staff have existed for the past 3 to 6 months; OR key program staff have been hired in the past two program years but lack necessary experience and have not received program training. | Medium | 6 | | | |
| iii. No program deficiencies have been identified as evidenced through violations or findings or poor performance and any key staff vacancies have existed for less than three months and any key staff hired in the past program year have received or do not need program training. | Low | 0 | | | |
| 1.C. Program Complexity Criteria: Risk is based on recipient's ability to administer complex program activities, as measured by overseeing multiple subrecipients. | | | | | Yes |
| i. Recipient funds and oversees more than 20 subrecipients. | High | 8 | | | |
| ii. Recipient funds and oversees 10 –20 subrecipients. | Medium | 6 | | | |
| iii. Recipient funds and oversees fewer than 10 subrecipients. | Low | 0 | | | |
| 1.D. Recipient Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on the CPD monitoring or OIG audit of the recipient's program to ensure compliance with program requirements, including cross-cutting programmatic requirements (relocation, environmental, nondiscrimination, lead-based paint, etc.). | | | | | No |
| i. The recipient has two or more CPD monitoring or OIG audit findings that are still open, overdue, and unresolved; OR sanctions have been imposed on the recipient; OR the recipient has not been monitored by CPD or audited by OIG within the last three years. | High | 9 | | | |
| ii. Recipient has one CPD monitoring or OIG audit finding that is still open and unresolved; OR has had sanctions imposed that have subsequently been removed. | Medium | 6 | | | |
| iii. Within the last three years, the recipient has been monitored by CPD or audited by OIG , and there have been no findings identified. | Low | 0 | | | |
| 1.E. Physical Condition of Emergency Shelters Criteria: Risk is based on the recipient's use of ESG funds for renovation or shelter operations and the related emergency shelter's physical condition. (Consider the last three grant years) | | | | | Yes |

| | | | | | |
|---|----------|---|--|--|--|
| i. HUD has not conducted a review of the physical conditions of any ESG-funded emergency shelter within the past three program years; OR previous monitoring findings (on-site or remote) concerning the physical condition of ESG-funded emergency shelters remain unresolved. | High | 7 | | | |
| ii. HUD conducted a review of the physical conditions of an ESG-funded emergency shelter within the past three program years, but not during the last two program years. | Medium | 4 | | | |
| iii. HUD has conducted an on-site review of the physical conditions of ESG-funded emergency shelters during the last two program years and there were no findings relating to shelter standards; OR recipient did not use ESG funds for renovation or shelter operations. | Low | 0 | | | |
| Subtotal for Grant Management Assessment (Max. 40 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: Extent to which the recipient accounts for and manages financial resources in accordance with financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from, but not limited to, financial management and information systems, such as: Integrated Disbursement and Information System (IDIS), audit management systems, audits required by 2 CFR § 200.501, assessment of recipient’s drawdown history, submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems and recipient performance reports.

The Evaluator will award point values to subfactor A. Choose only one risk score for each subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|--|---------------|------------|--------------------|----------------------|------------------------|
| 2.A. Staff Capacity for Financial Compliance Criteria: Risk is based on the key financial management staff’s ability to administer the financial management responsibilities for the ESG program. (Key financial management staff is defined as staff with direct oversight of financial records and/or distribution of program funds.) Consider the last three program years. | | | | | No |
| i. One or more violations, findings or concerns have been identified with respect to the recipient’s compliance with 2 CFR part 200; OR | High | 10 | | | |

| | | | | | |
|--|--------|---|--|--|-----|
| one or more vacancies for key financial management staff of ESG programs have existed for more than six months. | | | | | |
| ii. Although no violations, findings, or concerns have been identified with the recipient's compliance with 2 CFR part 200, one or more vacancies for key financial management staff have existed for the past 3 to 6 months; OR key financial management staff have been hired in the past program year and have not received ESG financial management training. | Medium | 5 | | | |
| iii. No financial management deficiencies have been identified as evidenced through violations, findings, or concerns and any key financial management staff vacancies have existed for less than three months and any key staff hired in the past program year have received ESG financial management training. | Low | 0 | | | |
| 2.B. Grant Amount Criteria: Risk is based upon the recipient's grant amount for the most recently completed program year. | | | | | Yes |
| i. The recipient's grant amount for the most recently completed program year falls within the top 10% of all ESG grants awarded within the Field Office's jurisdiction for the same program year. | High | 5 | | | |
| ii. The recipient's grant amount for the most recently completed program year falls between 50-90% of all ESG- grants awarded within the Field Office's jurisdiction within the same program year. | Medium | 3 | | | |
| iii. The recipient's grant amount for the most recently completed program year falls within the lowest 50% of all ESG grants awarded within the Field Office's jurisdiction within the same program year. | Low | 0 | | | |
| 2.C. Program Administration Cap Criteria: Risk is based on the recipient's ability to not exceed the administrative activities cap. | | | | | Yes |
| i. Recipient has exceeded the administrative activities cap for the ESG program for the most recently completed program year. | High | 5 | | | |
| ii. Recipient has not exceeded the administrative activities cap for the most recent program year; however, the recipient has exceeded the cap one or more times within the last three program years. | Medium | 3 | | | |
| iii. Recipient has not exceeded the administrative activities cap during the three most recently completed program years. | Low | 0 | | | |

| | | | | | |
|--|----------|----|--|--|-----|
| 2.D. 24-Month Expenditure Provisions Criteria: Risk is based on the recipient meeting the 24-month expenditure deadline as evidenced by the most recent CAPER, IDIS PR02 or other reports, and the Emergency Shelter Grants program. | | | | | Yes |
| i. The recipient has violated the most recent 24-month expenditure deadline. | High | 10 | | | |
| ii. Within the last three years, the recipient failed to meet the 24-month expenditure deadline at least once. | Medium | 5 | | | |
| iii. Over the last three years, the recipient has not demonstrated any problem with meeting the 24-month expenditure deadline. | Low | 0 | | | |
| 2.E. Recipient Audits under 2 CFR § 200.501 Criteria: Assessment is based on the timely submission of audits under 2 CFR § 200.501 for recipients of federal funds that expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether or not the recipient has received a finding and/or the auditor noted recommendations in a management letter based on the grantee's current accounting practices. Audits deadlines are specified in 2 CFR § 200.507(c)(1) (for program-specific audits) and 2 CFR § 200.512(a)(1) (for single audits). | | | | | Yes |
| i. During the last three program years, the recipient has not been timely in its submission of the audits required under 2 CFR § 200.501; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices. | High | 5 | | | |
| ii. None of the criteria in subfactor (i) applies. | Low | 0 | | | |
| Subtotal for Financial Management (Max. 35 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which program participants express satisfaction or dissatisfaction with the delivery of program services and the extent to which HUD recipients effectively and efficiently deliver services to intended beneficiaries/program participants.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: client- or citizen-originated correspondence, recipient responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of recipient support, failure to reply or submit reports, Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), automated tracking systems, correspondence, the release of funds requests, local-, HQ-, or recipient-generated automated reports

or spreadsheets, and the Integrated Disbursement and Information System (IDIS). The Evaluator should consider the recipient's overall effectiveness in carrying out program activities and delivery to target populations.

The Evaluator will award point values to subfactors A and B. Choose only one risk score for each subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 3.A. Recipient Citizen Complaints or Negative Media Exposure Criteria: Risk is based on the receipt of citizen complaints and/or negative media exposure resulting in violations of ESG regulations. | | | | | No |
| i. In the last three years, the recipient has negative local issues, media exposure, or citizen complaints related to the ESG program. | High | 8 | | | |
| ii. In the last three years, the recipient has had no negative local issues or media exposure, but citizen complaints have been received that are concerns and could lead to possible future violations if not addressed by the recipient. | Medium | 5 | | | |
| iii. In the last three years, no negative local issues, media exposure, or valid complaints have been received. | Low | 0 | | | |
| 3.B. Recipient Responsiveness Criteria: Risk is based upon the recipient's timely response to citizen complaints received. | | | | | No |
| i. During the last three program years, recipient has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes. | High | 5 | | | |
| ii. During the last three program years: recipient has responded to complaints and/or citizen inquiries within prescribed timeframes; OR has not received any complaints forwarded through HUD. | Low | 0 | | | |
| 3.C. Homelessness Prevention Criteria: Risk is based on the classification of Homelessness Prevention activities and the recipient's ability to carry out activities in compliance with program requirements. | | | | | Yes |
| i. Homelessness Prevention activity costs exceeded 50 percent of the annual allocation. | High | 6 | | | |
| ii. Homelessness Prevention activities exceeded 30 percent of the annual allocation but did not exceed 50 percent of the annual allocation. | Medium | 4 | | | |

| | | | | | |
|--|----------|---|--|--|-----|
| iii. Homelessness Prevention activities are classified properly and are limited to no more than 30 percent of the annual allocation. | Low | 0 | | | |
| 3.D. Street Outreach and Emergency Shelter Criteria: Risk is based on the classification of Street Outreach and Emergency Shelter activities limited to no more than 60 percent of the annual allocation amount committed to homeless assistance activities and the recipient's ability to carry out activities in compliance with program requirements. | | | | | Yes |
| i. Activity costs exceed 60 percent of the annual allocation. | High | 6 | | | |
| ii. Activity costs were equal to or less than 60 percent of the annual allocation. | Low | 0 | | | |
| Subtotal for Services and Satisfaction (Max. 25 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | MAXIMUM SCORE |
|----------------------------|---------------|
| 1. Grant Management | 40 |
| 2. Financial Management | 35 |
| 3. Services & Satisfaction | 25 |
| Total | 100 |

Attachment A-6

Housing Opportunities for Persons with AIDS (HOPWA) Program
Formula Risk Analysis Worksheet
Competitive Risk Analysis Worksheet
Formula CARES Act Risk Analysis Worksheet
Competitive CARES Act Risk Analysis Worksheet

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- Instances of unacceptable participant performance

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the HOPWA grantees using four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. The four factors are: Grant Management, Financial Management, Services & Satisfaction, and Physical Assets. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. The Evaluator should choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting systems, the criteria are auto-populated with scores and comments. The evaluator may accept these auto-populated fields or edit, as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

FACTOR 1 - GRANT MANAGEMENT

Factor Definition: Extent to which the grantee has the capacity to carry out the HOPWA/HOPWA-C/HOPWA-CV/HOPWA-C-CV program according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is based on information that directly evidences the grantee's capacity to administer the grant, including the scope of eligible activities and recipients; progress in implementing the project, changes in key staff during the last year, changes in the

HOPWA (Attachment A-6)

agency's missions or direction, regulatory violations, experience with Federal grants or project activities, and frequency and level of technical assistance required by the grantee before and during a project. The following reports and reporting systems can be considered, including, but not limited to: Consolidated Plans, annual performance data reported in Consolidated Annual Performance and Evaluation Reports (CAPERs) and Annual Performance Report (APRs), Technical Assistance Plans, the Integrated Disbursement and Information System (IDIS), Office of Inspector General (OIG) audits, Analysis of Impediments to Fair Housing Choice (or an Assessment of Fair Housing), HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.15, and other reporting mechanisms and systems.

The Evaluator will award point values to subfactors C and D. Choose only one risk score for each subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|--|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 1.A. Grantee Reporting Criteria: Risk is based on the grantee meeting report deadlines, with the main considerations being timeliness, completeness, and accuracy of the information contained in the Annual Performance Report (APR) or Consolidated Annual Performance and Evaluation Report (CAPER) for the last three program years. | | | | | Yes |
| i. In the past 3 program years, the grantee submitted a report that meets at least two of the below criteria for being untimely, inaccurate, and/or incomplete: 1. was submitted more than 1 week (7 days) after the due date (untimely). 2. did not make Tier 1 (inaccurate and/or incomplete). 3. required more than 3 submissions through the data verification process to correct data quality issues. | High | 8 | | | |
| ii. In the past 3 program years, a grantee submitted a report that did not make Tier 1 OR was submitted more than 1 week (7 days) after the due date OR required more than 3 submissions through the data verification process to correct data quality issues. | Medium | 4 | | | |
| iii. In the past 3 program years, all reports submitted by grantee have been considered timely and complete. | Low | 0 | | | |
| 1.B. Program Complexity Criteria: Risk is based on the grantee complexity in program design. Grantee information regarding the number of project sponsors is found in the grantee's Annual Performance Report (APR) or Consolidated Annual Performance and Evaluation Report (CAPER). | | | | | Yes |

| | | | | | |
|---|--------|---|--|--|----|
| i. A grantee carries out a program with four or more sponsors, and the grantee or sponsor receives funding from two or more additional entities (e.g., HHS, State, City, and Foundation) within the three most recent program years; OR the grantee carries out both formula and competitive HOPWA funds. | High | 4 | | | |
| ii. A grantee carries out a program with two to three sponsors; OR the grantee or sponsor receives funding from two or more additional entities (e.g., HHS, State, City, and Foundation) within the three most recent program years. | Medium | 2 | | | |
| iii. A grantee carries out a program with zero or only one project sponsor and the grantee or sponsor receives funding from fewer than two funding sources within the three most recent program years. | Low | 0 | | | |
| 1.C. Grantee Staff Capacity Criteria: Risk is based on the current staff capacity of the grantee regarding its ability to ensure programmatic compliance with the regulations and fulfill all its obligations as a grantee (includes financial staff that may be separate from administrative). (Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with rules and regulations, inclusive of staff assigned with oversight of project sponsors.) | | | | | No |
| i. In the last 3 program years, the grantee has experienced turnover in at least 1 key position w/in its program administration and the program design is more complex than the current staff's programmatic knowledge. Evidence includes: (a) Serious or numerous violations of regulations; or (b) Recurring monitoring findings or failure to resolve open findings timely; or (c) Poor performance that is ongoing, that the grantee has failed to improve within a reasonable time period; or (d) One or more vacancies for key HOPWA staff have existed for more than six months; or (e) The grantee's program activities have changed; or (f) Lack of project sponsor monitoring by the grantee (1 or fewer). | High | 4 | | | |
| ii. In the last 3 program years: the grantee has experienced turnover in at least 1 key position w/in its program administration; OR the grantee's program design is more complex than the current staff's programmatic knowledge (see above description). | Medium | 2 | | | |

| | | | | | |
|--|----------|----|--|--|-----|
| iii. In the last 3 program years: the grantee has not experienced turnover in at least one key position of its program administration and has designed a program that is comparable to the current staff's capacity and programmatic knowledge (see above description). | Low | 0 | | | |
| 1.D. Grantee Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on OIG audits and the monitoring of the grantee's program by HUD to ensure compliance with program requirements within the last three program years and includes the following: the grantee's past performance regarding the number of open and unresolved findings or monetary sanctions/repayments/grant reductions that have been imposed. | | | | | No |
| i. Within the last three years: the grantee has received two or more findings that are still open and unresolved and monetary sanctions/repayments/grant reductions have been imposed on the grantee and HUD has conducted an on-site monitoring of the HOPWA program. | High | 4 | | | |
| ii. Within the last three years: the grantee has received one finding that is still open and unresolved; OR monetary sanctions/repayments/grant reductions have been imposed on the grantee; OR HUD has conducted an on-site monitoring of the HOPWA program. | Medium | 2 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 1.E. Grantee Program Compliance Criteria: Risk is based on the length of time since the most recent monitoring of the HOPWA grantee. | | | | | Yes |
| i. Grantee's HOPWA program has not been monitored in the past 5 years, or no record of monitoring in the official system | High | 20 | | | |
| ii. Most recent monitoring of the grantee's HOPWA program was between 3-4 program years. | Medium | 10 | | | |
| iii. Most recent monitoring of the grantee's HOPWA program was within the most recent 2 programs years. | Low | 0 | | | |
| Subtotal for Grant Management (Max. 40 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: Extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: the Integrated Disbursement and Information System (IDIS), audit management systems, audits conducted under 2 CFR part 200, subpart F, assessment of grantee’s drawdown history (i.e., IDIS/LOCCS/PAS), submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems and grantee performance reports.

The Evaluator will award point values to subfactor A. Choose only one risk score for each subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto Populated? Yes/No |
|--|---------------|------------|--------------------|----------------------|------------------------|
| 2.A. Staff Capacity for Financial Compliance Criteria: Assessment of risk for this factor is based upon financial management compliance with the HOPWA monitoring Exhibits, 2 CFR part 200, regulations, and other documents available to the Evaluator. | | | | | No |
| i. During the last three program years, as evidenced through the information available (e.g., audits, IDIS, citizen correspondence, previous HUD monitoring, grantee correspondence with CPD), financial management staff has demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the HOPWA program and has had <u>one or more violations</u> of HOPWA grant agreements, regulations or 2 CFR part 200 (as documented through fiscal monitoring). | High | 4 | | | |
| ii. During the last three program years, as evidence described in (i), financial management staff demonstrated a lack of knowledge or skill sets needed to administer the financial management responsibilities for the HOPWA program and has <u>not</u> had any violations of 2 CFR part 200 (as documented through fiscal monitoring). | Medium | 2 | | | |
| iii. During the last three program years, financial management staff have not demonstrated a lack of knowledge or skill sets and no | Low | 0 | | | |

| | | | | | |
|---|--------|---|--|--|-----|
| financial management deficiencies have been identified as evidence through violations or findings. | | | | | |
| 2.B. Administration Grantee Monitoring Findings (CPD Monitoring Only) Criteria: Risk is based on the monitoring of the grantee's program by HUD to ensure compliance with financial requirements within the last three program years and includes the following: the grantee's past performance regarding the number of open and unresolved financial related findings or monetary sanctions/repayments/grant reductions that have been imposed. | | | | | Yes |
| i. During the last three program years, grantee has 3 or more closed financial findings or concerns and currently has open financial findings within GMP-system. | High | 4 | | | |
| ii. During the last three program years, grantee has either 3 or more closed financial findings or concerns, or at least 1 current open financial finding or concern with GMP-system. | Medium | 2 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 2.C. Grantee Audits required by 2 CFR §200.501 Criteria: Assessment is based on the timely submission of the audits required under 2 CFR § 200.501 for recipients of federal funds that expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether the grantee has received a finding and/or the auditor noted recommendations in a management letter based on the recipient's current accounting practices. Audits deadlines are specified in 2 CFR § 200.507(c)(1) (for program-specific audits) and 2 CFR § 200.512(a)(1) (for single audits). | | | | | Yes |
| i. During the last three program years, the grantee has not been timely in its submission of the audits required by 2 CFR § 200.501; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices. | High | 4 | | | |
| ii. None of the criteria in subfactor (i) applies. | Low | 0 | | | |
| 2.D. Program Administration Cap Criteria: Assessment is based upon the statutory percentage cap place on HOPWA grantees. The administrative cost cap is limited to a percent of the grantee awarded amount in (24 CFR | | | | | Yes |

| | | | | | |
|--|--------|---|--|--|-----|
| § 574.300(b)(10)(i) or Notice CPD-20-05 for CARES Act funding. The grantee's most recent administration expenditures can be viewed in HUD financial systems. | | | | | |
| i. The grantee has exceeded the administration cap within the last three most recent program years. | High | 3 | | | |
| ii. The grantee has not exceeded the administration cap within the three most recent program years | Low | 0 | | | |
| 2.E. Open Activities (grant specific) with No Draws within HUD Financial System Criteria: Assessment of risk for this factor is based upon a review of HUD financial systems and grantee's ability to maintain an accurate account of HOPWA finances | | | | | Yes |
| i. Over 10% of grantee funded activities with a balance remaining have not had funds drawn in IDIS within one year. | High | 4 | | | |
| ii. 5% - 10% of grantee funded activities with a balance have not had funds drawn in IDIS within one year. | Medium | 2 | | | |
| iii. Less than 5% of grantee funded activities with a balance remaining have not had funds drawn in IDIS within one year. | Low | 0 | | | |
| 2.F. Late Financial Disbursements within HUD financial system Does the grantee regularly fail the timeliness test? This score is auto-populated from IDIS data. | | | | | Yes |
| i. Over 2% of grantee unexpended funds are associated with activities that have had no completed drawdowns within one year. | High | 6 | | | |
| ii. 2% or less of grantee unexpended funds are associated with activities that have had no completed drawdown within one year. | Low | 0 | | | |
| 2.G. Delay in Contracting HOPWA-funds Criteria: Assessment of risk for this factor is based upon a review of the amount of time between grant start and commitment in IDIS of HOPWA funds. | | | | | Yes |
| i. 0% of HOPWA funds were committed to IDIS within 120 days of the grant start. | High | 4 | | | |
| ii. 1%-99% of HOPWA funds were committed to IDIS activities within 120 days of grant start. | Medium | 2 | | | |
| iii. 100% of HOPWA funds were committed to IDIS activities within 120 days of grant start. | Low | 0 | | | |

| | | | | | |
|--|----------|---|--|--|-----|
| 2.H. Slow Spending Criteria: Assessment of risk for this factor is based upon a review of timely financial drawdowns with the financial system by the grantee. | | | | | Yes |
| i. Grantee has completed drawdowns of HOPWA funds during the grant period that are more than 90 days apart. | High | 6 | | | |
| ii. Grantee has completed drawdowns of HOPWA funds during the grant period that are 90 days apart or less. | Low | 0 | | | |
| Subtotal for Financial Management (Max. 35 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants effectively and efficiently deliver services to intended beneficiaries/clientele and clients or beneficiaries express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The Evaluator should consider the planned program support and how it is appropriately being carried out to address the intended range of housing needs and related supportive services issues, including any specialized efforts for sub-populations of homeless clients or difficulty in serving the proposed number of participants or moving homeless/persons living with HIV/AIDS clients to permanent housing as well as considering information that could be obtained from, but not limited to: Freedom of Information Act (FOIA) requests; Consolidated Plans, Annual Action Plans, Annual Performance Reports (APR), Consolidated Annual Performance and Evaluation Reports (CAPERS), correspondence, local-, HQ-, or grantee-generated automated reports or spreadsheets, correspondence or other communication to HUD, the grantee or other parties with respect to the project and any written or other responses by the grantee, any recent problems, such as citizen complaints, newspaper articles, internet postings, Congressional inquiries, and other forms of correspondence, the grantee/project sponsor's response/failure to submit reports or respond to inquiries, and the loss of community support.

The Evaluator will award point values for subfactor A. Choose only one risk score for each subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto Populated? Yes/No |
|--|---------------|------------|--------------------|----------------------|------------------------|
| 3.A. Grantee Citizen Complaints / Negative Media Exposure and Responsiveness to Citizen Complaints Criteria: Risk is based on citizen complaints received or negative media exposure to its program, which leads to a violation of HOPWA regulations and timeliness to the response of citizen complaints. | | | | | No |
| i. Citizen complaints have been received during the last three program years through such sources as citizen letters, phone | High | 4 | | | |

| | | | | | |
|---|--------|---|--|--|-----|
| calls, hotline complaints, newspaper articles, internet postings, emails, etc. and the grantee was found to be in violation of HOPWA regulations and failed to respond or be responsive to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes. | | | | | |
| ii. Citizen complaints have been received during the last three program years through such sources as citizen letters, phone calls, hotline complaints, newspaper articles, internet postings, emails, etc. that were found to be either: <ol style="list-style-type: none"> 1. Grantee was found to be in violation of HOPWA regulations; OR 2. Grantee failed to respond or be responsive to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes. | Medium | 2 | | | |
| iii. Citizen complaints have been received during the last three program years through such sources as citizen letters, phone calls, hotline complaints, newspaper articles, internet postings, emails, etc. and the grantee was found not to be in violation of HOPWA requirements and grantee was timely in response to complaints and/or citizen inquiries; OR no valid citizen complaints have been received during the most recently completed program year as described in (i). | Low | 0 | | | |
| 3.B. Low Access to Care Criteria: Risk is based upon grantee compliance with obtaining programmatic goals for eligible HOPWA households. | | | | | Yes |
| i. Access to Care percentage is 50% or <u>below</u> for at least 2 ATC categories in the analysis (no matter if any ATC category is above 80%). | High | 8 | | | |
| ii. Access to Care percentage is <u>between</u> 79% - 51% for at least 2 or more ATC categories in the analysis | Medium | 4 | | | |
| iii. Access to Care percentage is <u>above</u> 80% for any one or more ATC categories in the analysis, and neither (i) nor (ii) is prevalent. | Low | 0 | | | |
| 3.C. Exits to Non-Permanent Housing Outcome Criteria: Risk is based upon grantee compliance with obtaining programmatic goals for eligible HOPWA households. | | | | | Yes |
| i. If participants exited to “unstable” housing averages <u>over</u> 15%. Programs include: TBRA, Permanent facility-based housing, STRMU (not counted in risk if “temporarily housed”). | High | 5 | | | |

| | | | | | |
|---|----------|---|--|--|--|
| ii. If participants exited to “unstable” housing, averages between 11% - 15%. Programs include TBRA, Permanent facility-based housing, STRMU (not counted in risk if “temporarily housed”). | Medium | 3 | | | |
| iii. If participants exited to “unstable” housing average is <u>under</u> 10%. Programs include: TBRA, Permanent facility-based housing, STRMU (not counted in risk if “temporarily housed”). | Low | 0 | | | |
| Subtotal for Services and Satisfaction (Max. 17 pts.) | Subtotal | | | | |

FACTOR 4 – PHYSICAL ASSETS

Factor Definition: Extent to which HUD-funded physical assets are developed, maintained, and operated according to established standards.

Rating Consideration: The basis for the Evaluator’s rating is derived from HUD’s inspection of records and reports, observation of the grantee’s proper use of established forms and procedures, information received through public comments, A-133 or other audits, and Consolidated Plans, Annual Action Plans, Annual Performance Reports (APR), Consolidated Annual Performance and Evaluation Reports (CAPERS), and other sources of information. The Evaluator should consider any existing or previously identified problems with the physical assets and the extent to which problems have been or are likely to be corrected; whether HUD funds are used for acquisition, construction, or rehabilitation activities; the number of sites at which HUD-funded physical assets are located and the activities supported by the physical asset and the extent of any previous on-site monitoring.

Factor 4, in its entirety, is auto-populated with scores and comments.

| FACTOR 4 – PHYSICAL ASSETS | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto Populated? Yes/No |
|--|---------------|------------|--------------------|----------------------|------------------------|
| 4.A. Operating Facility-based Program with HOPWA funds Criteria: Risk for this factor is based upon the design, development, maintenance, and operation of HOPWA-funded physical assets. | | | | | Yes |
| i. The grantee operates a facility-based program(s) with HOPWA funds and the grantee has facility-based open and/or closed findings in the past three program years. | High | 5 | | | |
| ii. The grantee operates a facility-based program(s) with HOPWA funds but does not meet the criteria in (i). | Medium | 3 | | | |
| iii. The grantee does not meet the criteria set in (i) or (ii). | Low | 0 | | | |

| | | | | | |
|---|----------|---|--|--|-----|
| 4.B. Acquisition, Constructions, and Rehabilitation of Physical Assets Criteria: Assessment of this factor is based upon the grantee's use of program funds for acquisition, construction, and rehabilitation within the past three program years. | | | | | Yes |
| i. The grantee has used HOPWA funds for the acquisition or construction or \$20k or more in rehabilitation funds or used HOPWA funds to repair a current property for housing or residential program any instance within the three most recent program years. | High | 3 | | | |
| ii. The grantee has used under \$20k in HOPWA funds for the minor rehabilitation or repair of a physical asset; OR used HOPWA funds to repair a current property for housing or residential program any instance within the three most recent program years. Grantee did not use any HOPWA funds on acquisition or construction. | Medium | 2 | | | |
| iii. No HOPWA funds have been utilized for the acquisition, construction, or any rehabilitation of a physical asset, excluding minor maintenance or repairs within the three most recent program years. | Low | 0 | | | |
| Subtotal for Physical Assets (Max. 8 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | MAXIMUM SCORE |
|----------------------------|---------------|
| 1. Grant Management | 40 |
| 2. Financial Management | 35 |
| 3. Services & Satisfaction | 17 |
| 4. Physical Assets | 8 |
| Total | 100 |

Attachment A-7

**Community Development Block Grant Program Coronavirus Response Grants (CDBG-CV)
Formula Risk Analysis Worksheet**

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- Instances of unacceptable participant performance

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the grantee, using three of the four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. These factors include Grant Management, Financial Management, and Services & Satisfaction. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. You are to choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting systems, the criteria are auto-populated with scores and comments. The evaluator may accept these auto-populated fields or edit as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills, and ability of program staff, and the grantee's administrative capacity to manage the grant, including: the grantee's ability to provide timely reports that are complete and accurate; the complexity of the grantee's program; the grantee's management of its subrecipients; open and

unresolved findings; or problems such as open or stalled activities, staff turnover, lack of experience with Federal grants or project activities, and program workload. The following reports and reporting systems should be considered, including but not limited to: Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), Performance and Evaluation Reports (PERs), Technical Assistance Plans, the Integrated Disbursement and Information System (IDIS), Office of Inspector General (OIG) audits, Analysis of Impediments to Fair Housing Choice (or an Assessment of Fair Housing), HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.5, and related reporting mechanisms and systems.

The Evaluator will award point values to subfactors A, B, and F. Choose only one risk score for these three subfactors from the point values listed below and enter the associated comment(s). The scores and comments for the remaining subfactors are auto-populated from IDIS data.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|--|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 1.A. Grantee Reporting How would you rate the grantee's overall reporting quality and responsiveness? Risk is based on the grantee meeting report deadlines with primary consideration given to completeness and accuracy of the information contained in the Consolidated Plan, Annual Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER) or Performance and Evaluation Report (PER), and Financial Reporting, including the PR26 (Entitlement) or PR28 (State). This score is manually selected. | | | | | No |
| i. Within the last three years: the grantee has not been timely in submitting at least two reports; OR at least two reports have not been complete and/or accurate. | High | 8 | | | |
| ii. Within the last three years, the grantee has submitted at most one report that has not been complete, timely, and/or accurate. | Medium | 4 | | | |
| iii. Within the last three years, the grantee has been timely with submitting its reports, and they have been complete and accurate. | Low | 0 | | | |
| 1.B. Staff Capacity Do staffing issues negatively impact the grantee's ability to carry out programs? Risk is based on current grantee staff capacity and its ability to ensure programmatic compliance with the CDBG regulations and CDBG-CV requirements, including CDBG-CV specific waivers and alternative requirements, fulfill all grantee obligations, and design a program appropriate to the level of its capacity. This score is manually selected. | | | | | No |
| i. During the last three program years, the grantee has experienced turnover in at least one key position within its program administration and the grantee has designed a program | High | 10 | | | |

| | | | | | |
|--|--------|----|--|--|-----|
| more complex than the current capacity and programmatic knowledge of its staff. | | | | | |
| ii. During the last three program years: the grantee has experienced turnover in at least one key position within its program administration; OR the grantee has designed a program that is more complex than the current capacity and programmatic knowledge of its staff. | Medium | 5 | | | |
| iii. During the last three program years: the grantee has not experienced turnover in at least one key position of its program administration and has designed a program that is comparable to the current staff's capacity and programmatic knowledge. | Low | 0 | | | |
| 1.C. Management of Subrecipients Does the grantee fund one or more large activities that are managed by subrecipients or contractors? Subrecipients include units of general local government for States. This score is auto-populated from IDIS data. | | | | | Yes |
| i. The grantee has funded at least one activity for \$1,000,000 or more that is carried out by a subrecipient or contractor. | High | 10 | | | |
| ii. The grantee has funded at least one activity for more than \$500,000 but less than \$1,000,000 that is carried out by a subrecipient or contractor. | Medium | 5 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| 1.D. At-Risk Flags in IDIS Are a high percentage of open CDBG-CV activities flagged in IDIS as at-risk? The flags include: 1) an activity has infrequent draws (for most activities, if there are no draws for a year or more, the activity will be flagged. For planning and administration activities, two years are allowed without a draw, or three years for State CDBG-CV); 2) an activity has been open for three or more years, and no accomplishments have been reported' and 3) the activity is 80% drawn down, but no accomplishments have been reported. Note: Certain public facilities and economic development activities are not flagged. This score is auto-populated from IDIS data. | | | | | Yes |
| i. Percent of "Open" activities flagged as at-risk is more than 50%, or the amount of funds committed to the at-risk activities is more than 50% of funds that are committed to all "Open" activities; OR the amount of funds committed to at-risk activities is more than two times the current year's allocation. | High | 8 | | | |

| | | | | | |
|--|----------|---|--|--|-----|
| ii. Percent of "Open" activities flagged as at-risk is less than 50%, or the amount of funds committed to the at-risk activities is less than 50% of funds that are committed to all "Open" activities; OR the amount of funds committed to at-risk activities is less than two times the current year allocation. | Medium | 4 | | | |
| iii. The grantee has no at-risk flags, or a low percentage of activities is flagged. | Low | 0 | | | |
| 1.E. Economic Development Activities Risk is based on the grantee's expending a significant amount of CDBG-CV funding for economic development activities. This score is auto-populated from IDIS data. | | | | | Yes |
| i. Expenditures for economic development activities are 30 percent or more of its CDBG-CV grant. | High | 8 | | | |
| ii. The above condition doesn't exist. | Low | 0 | | | |
| 1.F. Prior Monitoring and Audit Findings Risk is based on OIG audits and the monitoring of the grantee's program by HUD to ensure compliance with program requirements within the last three years; the grantee's past performance regarding the number of open, overdue, and unresolved findings; OR sanctions have been imposed; OR grantee has not been monitored within the last three years. This score is manually selected. | | | | | No |
| i. Within the last three years: the grantee has received two or more findings that are still open, overdue, and unresolved; OR sanctions have been imposed on the grantee; OR grantee has not been monitored. | High | 8 | | | |
| ii. Within the last three years: the grantee has received one finding that is still open, overdue, and unresolved; OR has had imposed sanctions removed from the grantee. | Medium | 4 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| Subtotal for Grant Management (Max. 52 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT:

Factor Definition: The extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: Integrated Disbursement and Information System (IDIS), audit management systems, Single audits, findings that require repayment or grant reduction, program income, the operation of Revolving Loan Funds (RLFs), Section 108 Loan Guarantees, grantee's financial records, timeliness

standards, and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and grantee performance reports.

Factor 2, in its entirety, is auto-populated with scores and comments.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|--|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 2.A. Grantee Audits required by 2 CFR § 200.501 Assessment is based on the timely submission of audits required under 2 CFR § 200.501 for recipients of federal funds that expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether the grantee has received a finding and/or the auditor noted recommendations in a management letter based on the grantee's current accounting practices. Audits deadlines are specified in 2 CFR § 200.507(c)(1) (for program-specific audits) and 2 CFR § 200.512(a)(1) (for single audits). This score is auto-populated. | | | | | Yes |
| i. During the last three program years: the grantee has not been timely in its submission of audits required under 2 CFR § 200.501; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices. | High | 8 | | | |
| ii. None of the criteria in subfactor (i) applies. | Low | 0 | | | |
| 2.B. Administration and Planning Cap Is the grantee within the 20% cap on administration, management, and planning costs? If a State grantee, is it within the 5% caps on State administration costs and the 2% cap on Technical Assistance costs? This score is auto-populated from IDIS data. | | | | | Yes |
| i. The grantee has exceeded the cap for administration, management, and planning costs (All grantees) or for administration or technical assistance costs (State grantees only). | High | 8 | | | |
| ii. The grantee has not exceeded the applicable caps. | Low | 0 | | | |
| 2.C. Voucher Revisions Risk is based on the grantee's having numerous or large voucher revisions in IDIS. "Numerous" refers to having 20 revisions or | | | | | Yes |

| | | | | | |
|--|----------|----|--|--|-----|
| more. "Large" refers to total revisions of \$500,000 or more. This score is auto-populated from IDIS data. | | | | | |
| i. The grantee has voucher revisions totaling over \$500,000 in the last five years; OR has 20 or more voucher revisions in the last five years. | High | 8 | | | |
| ii. The grantee has voucher revisions in the past five years of lesser amount and number than (i) above. | Medium | 4 | | | |
| iii. The grantee did not revise a voucher in the past five years. | Low | 0 | | | |
| 2.D. Expenditure Rate and Requirements Risk is based on the grantee's compliance with and/or pace to meet the expenditure requirements: 1) 80 percent of its grant award(s) by the end of the third year of the period of performance (PoP); and 2) 100 percent of its grant award(s) within the six-year PoP. The 100 percent expenditure rate criterion is first measured in the 4th year of the PoP. This score is auto-populated from IDIS data. | | | | | Yes |
| i. The grantee is not on pace to meet an expenditure requirement; OR the grantee has failed to meet an expenditure requirement. | High | 12 | | | |
| ii. The grantee has met or is on pace to meet its expenditure requirements. | Low | 0 | | | |
| Subtotal for Financial Management (Max. 36 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants deliver a program that is compliant and clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to client- or citizen-originated correspondence, grantee responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Consolidated Plan, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs) or Performance and Evaluation Report (PERs), other financial reporting, and auto-populated tracking systems.

The Evaluator will award a point value to subfactor A. Choose only one risk score for this subfactor from the point values listed below and enter the associated comment.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 3.A. Grantee Citizen Complaints / Negative Media Exposure Do local issues, media exposure, or citizen complaints negatively impact the grantee's ability to meet program objectives? Does the grantee respond timely to citizen complaints and inquiries? Risk is based on negative media or other issues involving CDBG-CV funding, significant negative impacts related to perceived fraud or conflict of interest, any harm to persons involved, or any activities opposed by stakeholders AND the grantee's ability to respond to these issues timely and effectively. This score is manually selected. | | | | | No |
| i. Within the last three years, the grantee has had citizen complaints, issues, or negative media exposure related to its CDBG-CV program and the grantee has failed to respond to the complaints, issues and/or inquiries within the prescribed timeframes. | High | 12 | | | |
| ii. Within the last three years, the grantee has had citizen complaints, issues, or negative media exposure related to its CDBG-CV program, but the grantee has responded to the complaints, issues and/or inquiries within the prescribed timeframes. | Medium | 6 | | | |
| iii. Within the last three years, the grantee has not had any complaints, issues or negative media exposure related to its CDBG-CV program. | Low | 0 | | | |
| Subtotal for Services and Satisfaction (Max. 12 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | MAXIMUM SCORE |
|----------------------------|----------------------|
| 1. Grant Management | 52 |
| 2. Financial Management | 36 |
| 3. Services & Satisfaction | 12 |
| Total | 100 |

Attachment A-8

**Emergency Solutions Grants - Coronavirus (ESG-CV)
Formula Risk Analysis Worksheet**

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a recipient has failed to comply with program requirements; or
- The recipient has performed unacceptably

Recipient Risk is assessed to:

- Determine recipients that pose the highest risk to the Department
- Identify recipients to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase recipient effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the recipient, using the four standard factors selected by the Department to determine the level of risk a recipient may pose to a HUD program. The four factors include: Grant Management, Financial Management, Services & Satisfaction, and Physical. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. The Evaluator should choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting system, the criteria are auto-populated with scores and comments. The evaluator may accept these auto-populated fields or edit as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the recipient has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is based on information that directly evidences the recipient's capacity to administer the grant, including the scope of eligible activities and subrecipients; progress in implementing the project, changes in staff during the last year, lack of experience with Federal grants or project activities, and frequency and level of technical assistance required by the recipient/subrecipient to carry out activities. The following submissions, reports, and reporting systems can be considered, including but not limited to: Consolidated Plans, Consolidated Annual

ESG-CV (Attachment A-8)

Performance and Evaluation Reports (CAPERs), Quarterly Performance Reports (QPRs), Integrated Disbursement and Information System (IDIS), Analysis of Impediments to Fair Housing Choice (or an Assessment of Fair Housing), Office of Inspector General (OIG) audits, and other reporting mechanisms and systems. Environmental Compliance, Relocation, and Acquisition Policies Compliance, and Flood Insurance Protection Compliance may be considered. ESG funds may be used for various activities as provided in the ESG-CV Notice, including shelter renovation and shelter operation activities. Each building renovated with ESG funds must be maintained as a shelter for homeless individuals and families for not less than a period of 3 or 10 years as specified in 24 CFR § 576.102(c)(1), unless the only ESG funds used for the renovation were ESG-CV funds (and/or FY2020 or earlier fiscal year ESG funds used in accordance with section IV of the [ESG-CV Notice \(Notice CPD-21-08\)](#)), the shelter meets the “temporary emergency shelter” definition in the ESG-CV Notice, and the building is used and disposed of as provided by 2 CFR § 200.311.

The Evaluator will award point values to subfactors B and D. Choose only one risk score for each subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|--|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 1.A. Recipient Reporting Criteria: Risk is based on the recipient meeting deadlines while ensuring completeness and accuracy of information contained therein and considering the last three years for ESG. | | | | | Yes |
| i. Two or more of recipient’s required QPR submissions were untimely (received after prescribed timeframe). | High | 8 | | | |
| ii. At least one of the recipient’s QPR submissions was untimely (received after the prescribed timeframe). | Medium | 4 | | | |
| iii. All recipient’s required QPR submissions are complete and have been received by the Field Office within prescribed timeframes. | Low | 0 | | | |
| 1.B. Recipient Staff Capacity Criteria: Risk is based on the current staff’s ability to ensure compliance with the regulations and fulfill all of the recipient’s obligations under the program (includes financial staff that may be separate from administrative) and the number of Subrecipients. (Key staff is defined as staff with assigned management and administrative responsibilities for program compliance with ESG-CV requirements. | | | | | No |
| i. During the last three program years: key staff has demonstrated an inability to administer ESG or ESG-CV program as evidenced through serious or numerous violations of regulations, recurring monitoring finding(s), or failure to resolve open findings, timely, or poor performance that is ongoing that the recipient has failed to improve within a reasonable time period; OR one or more vacancies for key ESG staff have existed for more than six months. | High | 8 | | | |

| | | | | | |
|--|--------|---|--|--|-----|
| ii. Although the key staff have not demonstrated an inability to administer the ESG-CV program as specified in (i) above, one or more vacancies for key staff have existed for the past three to six months; OR key program staff have been hired in the past two program years but lack the necessary experience and have not received program training. | Medium | 6 | | | |
| iii. No program deficiencies have been identified as evidenced through violations or findings or poor performance and any key staff vacancies have existed for fewer than three months and any key staff hired in the past program year have received or do not need program training. | Low | 0 | | | |
| I.C. Program Complexity Criteria: Risk based on recipient's ability to administer complex program activities, as measured by overseeing multiple subrecipients. | | | | | Yes |
| i. Recipient funds and oversees more than 20 subrecipients | High | 8 | | | |
| ii. Recipient funds and oversees 10 – 20 subrecipients. | Medium | 6 | | | |
| iii. Recipient funds and oversees fewer than 10 subrecipients. | Low | 0 | | | |
| I.D. Recipient Findings and Sanctions (Monitoring and OIG) Criteria: Risk is based on OIG audits and the monitoring of the recipient's program by HUD to ensure compliance with program requirements. | | | | | No |
| i. The recipient has received two or more findings that are still open, overdue, and unresolved; OR sanctions have been imposed on the recipient; OR the recipient has not been monitored within the last three years. | High | 9 | | | |
| ii. The recipient has one finding that is still open, overdue, and unresolved; OR has had sanctions imposed that have subsequently been removed. | Medium | 6 | | | |
| iii. Within the last three years, the recipient has been monitored or there has been an OIG audit, and there have been no findings identified. | Low | 0 | | | |
| I.E. Physical Condition of Emergency Shelters Criteria: Risk is based on the recipient's use of ESG funds for renovation or shelter operations and the related emergency shelter's physical condition. | | | | | Yes |
| i. HUD has not conducted a review of the physical conditions of any ESG-funded emergency shelter within the past three program years; OR previous monitoring findings (on-site or remote) | High | 7 | | | |

| | | | | | |
|---|----------|---|--|--|--|
| concerning the physical condition of ESG-funded emergency shelters remain unresolved. | | | | | |
| ii. HUD conducted a review of the physical conditions of an ESG-funded emergency shelter within the past three program years, but not during the last two program years. | Medium | 4 | | | |
| iii. HUD has conducted an on-site review of the physical conditions of ESG-funded emergency shelters during the last two program years and there were no findings relating to shelter standards; OR recipient did not use ESG funds for renovation or shelter operations. | Low | 0 | | | |
| Subtotal for Grant Management (Max. 40 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: Extent to which the recipient accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from information that could be obtained from, but not limited to, financial management and information systems such as: Integrated Disbursement and Information System (IDIS), audit management systems, audits required by 2 CFR § 200.501, assessment of recipient’s drawdown history, submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems and recipient performance reports.

The Evaluator will award point values to subfactor A. Choose only one risk score for the subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|--|---------------|------------|--------------------|----------------------|------------------------|
| 2.A. Staff Capacity for Financial Compliance Criteria: Risk is based on the key financial management staff’s ability to administer the financial management responsibilities for ESG and ESG-CV program. (Key financial management staff is defined as staff with direct oversight of financial records and/or distribution of program funds.) | | | | | No |
| i. During the last three program years: one or more violations, findings, or concerns have been identified with respect to the recipient’s compliance with 2 CFR part 200; OR one or more vacancies for key financial management staff of ESG programs have existed for more than six months. | High | 10 | | | |

| | | | | | |
|---|--------|---|--|--|-----|
| ii. Although no violations, findings, or concerns have been identified with the recipient's compliance with 2 CFR part 200 have been identified as specified in (i) above, one or more vacancies for key financial management staff have existed for the past three to six months; OR key financial management staff have been hired in the past program year and have not received ESG financial management training. | Medium | 5 | | | |
| iii. No financial management deficiencies have been identified as evidenced through violations, findings, or concerns, and any key financial management staff vacancies have existed for fewer than three months and any key staff hired in the past program year has received ESG financial management training. | Low | 0 | | | |
| 2.B. Grant Amount Criteria: Risk is based upon the recipient's grant amount for the most recently completed program year. | | | | | Yes |
| i. The recipient's ESG-CV grant amount falls within the top 10% of all ESG-CV grants awarded within the Field Office's jurisdiction. | High | 5 | | | |
| ii. The recipient's ESG-CV grant amount falls between 50-90% of all ESG-CV grants awarded within the Field Office's jurisdiction. | Medium | 3 | | | |
| iii. The recipient's ESG-CV grant amount falls within the lowest 50% of all ESG-CV grants awarded within the Field Office's jurisdiction. | Low | 0 | | | |
| 2.C. Program Administration Cap Criteria: Risk is based on the recipient's ability to not exceed the administrative activities cap. | | | | | Yes |
| i. The recipient's expenditures under its ESG-CV grant for administrative activities exceed the cap of 10% for ESG-CV grant. | High | 5 | | | |
| ii. The recipient has not exceeded the administrative activities cap for its ESG-CV grant as indicated above; however, the recipient has exceeded the administrative activities cap (7.5% of each grant for annual ESG grants) one or more times within the last three program years. | Medium | 3 | | | |
| iii. The recipient has not exceeded the 10% administrative activities cap for its ESG-CV grant and has not exceeded the administrative activities cap of 7.5% for its annual ESG grants during the three most recently completed program years. | Low | 0 | | | |

| | | | | | |
|---|----------|----|--|--|-----|
| 2.D. Expenditure Provisions Criteria: Risk is based on the recipient's meeting the ESG and ESG-CV expenditure deadlines within the last three years. | | | | | Yes |
| i. The recipient did not meet the 9/30/2021 deadline for expending 20% of its ESG-CV grant. | High | 10 | | | |
| ii. The recipient met the 9/30/21 deadline for expending 20% of its ESG-CV grant but failed to meet the 24-month expenditure deadline for its annual ESG grants at least once within the last three years. | Medium | 5 | | | |
| iii. Over the last three years, the recipient has not demonstrated any problem with meeting any expenditure deadlines for either its ESG-CV grant or its annual ESG grants. | Low | 0 | | | |
| 2.E. Recipient Audits required by 2 CFR § 200.501 Criteria: Assessment is based on the timely submission of audits required under 2 CFR § 200.501 for recipients of federal funds that are in excess of \$750,000 or more during the non-Federal entity's fiscal year in Federal awards, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether or not the recipient has received a finding and/or the auditor noted recommendations in a management letter based on its current accounting practices. Audits deadlines are specified in 2 CFR § 200.507(c)(1) (for program-specific audits) and 2 CFR § 200.512(a)(1) (for single audits). | | | | | Yes |
| i. During the last three program years, the recipient has not been timely in its submission of the audits required under 2 CFR § 200.501; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices. | High | 5 | | | |
| ii. None of the criteria in subfactor (i) applies. | Low | 0 | | | |
| Subtotal for Financial Management (Max. 35 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which program participants express satisfaction or dissatisfaction with the delivery of program services and the extent to which HUD recipients effectively and efficiently deliver services to intended beneficiaries/program participants.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: client or citizen-originated correspondence, recipient responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press

information, loss of recipient support, failure to reply or submit reports, Consolidated Plans, Annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPERs), automated tracking systems, correspondence, the release of funds requests, local, HQ-, or recipient-generated automated reports or spreadsheets, and the Integrated Disbursement and Information System (IDIS). The Evaluator should consider the recipient's overall effectiveness in carrying out program activities and delivery to target populations.

The Evaluator will award point values to subfactors A and B. Choose only one risk score for each subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 3.A. Recipient Citizen Complaints or Negative Media Exposure Criteria: Risk is based on the receipt of citizen complaints and/or negative media exposure resulting in violations of ESG regulations. | | | | | No |
| i. In the last three years, the recipient has had negative local issues, media exposure, or citizen complaints. | High | 8 | | | |
| ii. In the last three years, the recipient has had no negative local issues or media exposure, but citizen complaints have been received that are concerns and could lead to possible future violations if not addressed by the recipient. | Medium | 5 | | | |
| iii. In the last three years, no negative local issues, media exposure, or valid complaints have been received. | Low | 0 | | | |
| 3.B. Recipient Responsiveness Criteria: Risk is based upon the recipient's timely response to citizen complaints received. | | | | | No |
| i. During the last three program years: the recipient has failed to respond to complaints and/or citizen inquiries forwarded through HUD within prescribed timeframes. | High | 5 | | | |
| ii. During the last three program years: the recipient has responded to complaints and/or citizen inquiries; OR has not received any complaints forwarded through HUD within prescribed timeframes. | Low | 0 | | | |
| 3.C. Homelessness Prevention Criteria: Risk is based on the classification of Homelessness Prevention activities and the recipient's ability to carry out activities in compliance with program requirements. | | | | | Yes |
| i. Homelessness Prevention activity costs exceeded 50% of the allocation. | High | 6 | | | |

| | | | | | |
|---|----------|---|--|--|-----|
| ii. Homelessness Prevention activities exceeded 30% of the allocation but did not exceed 50% of the allocation. | Medium | 4 | | | |
| iii. Homelessness Prevention activities are classified properly and are limited to no more than 30% of the allocation. | Low | 0 | | | |
| 3.D. Street Outreach and Emergency Shelter Criteria: Risk is based on the recipient's ability to carry out Street Outreach and/or Emergency Shelter activities in compliance with program requirements. | | | | | Yes |
| i. Activity costs exceed 60% of allocation. | High | 6 | | | |
| ii. Activity costs are equal to or less than 60% of allocation. | Low | 0 | | | |
| Subtotal for Services and Satisfaction (Max. 25 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | MAXIMUM SCORE |
|----------------------------|---------------|
| 1. Grant Management | 40 |
| 2. Financial Management | 35 |
| 3. Services & Satisfaction | 25 |
| Total | 100 |

Attachment A-9

**Recovery Housing Program (RHP)
Formula Risk Analysis Worksheet**

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- Instances of unacceptable participant performance

Grantee Risk is assessed to:

- Determine grantees that pose the highest risk to the Department
- Identify grantees to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase grantee effectiveness

In completing this worksheet, the Evaluator will provide an assessment of the grantee, using three of the four standard factors selected by the Department to determine the level of risk a grantee may pose to a HUD program. These factors include Grant Management, Financial Management, and Services & Satisfaction. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. The Evaluator should choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the information available on this grantee. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting systems, the criteria are auto-populated with scores and comments. The evaluator may accept these auto-populated fields or edit as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD programs according to established requirements.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to: consideration of the knowledge, skills, and ability of program staff, and the grantee's administrative capacity to manage the grant, including: the grantee's ability to provide timely reports that are complete and accurate; the complexity of the grantee's program; the grantee's management of its subrecipients; open and unresolved findings; or problems such as open or stalled activities, staff turnover, lack of experience with Federal grants or project activities, and program workload. The following reports and reporting systems should be considered, including but not limited to: Action Plans, Performance Reports (PRs), Technical

RHP (Attachment A-9)

Assistance (TA) Plans, Disaster Recovery Grant Reporting (DRGR), Office of Inspector General (OIG) audits, Analysis of Impediments to Fair Housing Choice (or an Assessment of Fair Housing), HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.5, and related reporting mechanisms and systems.

The Evaluator will award point values to subfactors B and H. Choose only one risk score for these subfactors from the point values listed below and enter the associated comment(s). The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|--|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 1.A. Grantee Reporting How would you rate the grantee's overall reporting quality and responsiveness? Risk is based on the grantee meeting report deadlines with primary consideration given to quality, completeness, and accuracy of the information contained in the Action Plan and Annual Performance Report (PR). This score is auto-populated from DRGR data. | | | | | Yes |
| i. The grantee has not been timely in submitting at least two reports within the last three years; OR at least two reports have not been complete and/or accurate. | High | 6 | | | |
| ii. The grantee has submitted at most one report within the last three years that has not been complete, timely, and/or accurate. | Medium | 4 | | | |
| iii. Within the last three years, the grantee has been timely with submitting its reports, and they have been complete and accurate. | Low | 0 | | | |
| 1.B. Staff Capacity Do staffing issues negatively impact the grantee's ability to carry out programs? Risk is based on current grantee staff capacity and its ability to ensure compliance with RHP requirements, including applicable CDBG regulations, grantee obligations, and to design a program appropriate to the level of its capacity. This score is manually selected. | | | | | No |
| i. During the last three program years, the grantee has experienced turnover in at least one key position within its program administration and the grantee has designed a program more complex than the current capacity and programmatic knowledge of its staff. | High | 6 | | | |
| ii. During the last three program years: the grantee has experienced turnover in at least one key position within its program administration; OR the grantee has designed a program | Medium | 4 | | | |

| | | | | | |
|--|------|---|--|--|-----|
| that is more complex than the current capacity and programmatic knowledge of its staff. | | | | | |
| iii. During the last three program years, the grantee has not experienced turnover in at least one key position of its program administration and has designed a program that is commensurate to the current staff's capacity and programmatic knowledge. | Low | 0 | | | |
| 1.C. Grantee Program Complexity Risk is based on the complexity of the grantee's program design, primarily the number and variety of activities the grantee is undertaking, and whether these are new to its program and may pose a challenge to the grantee's staff in compliance and reporting. The grantee's application intake and complexity should also be considered. This score is auto-populated from DRGR data. | | | | | Yes |
| i. The grantee has designed a program that implements five or more different types of activities. | High | 8 | | | |
| ii. The above condition does not exist. | Low | 0 | | | |
| 1.D. Management of Subrecipients Risk is based on the small-dollar activities that are managed by subrecipients or State recipients, including units of general local government. This score is auto-populated from DRGR data. | | | | | Yes |
| i. The grantee has 4 or more different subrecipients. | High | 6 | | | |
| ii. The above condition doesn't exist. | Low | 0 | | | |
| 1.E. New Construction Activities Risk is based on the grantee's expending a significant amount of RHP funding for new construction activities. This score is auto-populated from DRGR data. | | | | | Yes |
| i. Expenditures for new construction activities are 50 percent or more of one or more of its RHP grants. | High | 8 | | | |
| ii. The above condition doesn't exist. | Low | 0 | | | |
| 1.F. At-Risk Flagged Activities in DRGR Are a high percentage of open activities flagged in DRGR as at-risk? Risk is based on the number of activities flagged as at-risk in DRGR. The flags include, but are not limited to: 1) an activity is underway with no drawdowns reported in two or more years; 2) an activity is fully drawn with no accomplishments; 3) the grantee has exceeded the administration or technical assistance cap; and 4) the grantee has missed its 30% expenditure deadline within the first year (see published DRGR Flags Guidance for more information). This score is auto-populated from DRGR data. | | | | | Yes |

| | | | | | |
|--|----------|---|--|--|-----|
| i. The grantee has three or more activities flagged as at-risk in DRGR. | High | 8 | | | |
| ii. The grantee has fewer than three activities flagged as at-risk in DRGR. | Low | 0 | | | |
| 1.G. Activity Accomplishments Risk is based on the number of activities open for two or more years, but no accomplishments are reported. This score is auto-populated from DRGR data. | | | | | Yes |
| i. The grantee has not reported any activity accomplishments in two or more years for any of its grants. | High | 8 | | | |
| ii. The grantee has reported at least one activity accomplishment within the last two years. | Low | 0 | | | |
| 1.H. Prior Monitoring and Audit Findings In considering all monitoring reviews and audits (i.e., OIG, etc. but not single audits) performed on the grantee during the period being assessed, how would you rate the overall severity of findings and issues? Risk is based on OIG audits and the monitoring of the grantee's program by HUD to ensure compliance with program requirements; the grantee's past performance regarding the number of open, overdue, and unresolved findings; sanctions that have been imposed; and whether the grantee has been monitored recently. This score is manually selected. | | | | | No |
| i. Within the last three years, the grantee has: 1) received two or more findings that are still open, overdue, and unresolved; OR 2) received a repeated finding on the same violation; OR 3) received a monitoring finding regarding cross-cutting programmatic requirements (Relocation, Environmental, Davis-Bacon, Fair Housing and Civil Rights, etc.); OR 4) sanctions that have been imposed; OR 5) not been monitored. | High | 6 | | | |
| ii. Within the last three years, the grantee: has received one finding (not including an open finding regarding cross-cutting requirements) that is still open, overdue, and unresolved; OR has had imposed sanctions removed. | Medium | 4 | | | |
| iii. None of the above conditions exists. | Low | 0 | | | |
| Subtotal for Grant Management (Max. 56 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT:

Factor Definition: The extent to which the grantee accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department.

Rating Considerations: The basis for the Evaluator’s rating in this factor is derived from sources including, but not limited to, financial management and information systems such as: DRGR, audit management systems, Single audits, findings that require repayment or grant reduction, program income, the operation of Revolving Loan Funds (RLFs), Section 108 Loan Guarantees, grantee’s financial records, timeliness standards, and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, and grantee performance reports.

Factor 2, in its entirety, is auto-populated with scores and comments.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|---|----------------------|-------------------|---------------------------|-----------------------------|-------------------------------|
| 2.A. Grantee Audits required by 2 CFR § 200.501 How would you rate the grantee’s audit submissions? Criteria: Assessment is based on the timely submission of audits required under 2 CFR § 200.501 for recipients of federal funds that expend \$750,000 or more during the non-Federal entity’s fiscal year in Federal award, but special emphasis is placed on the review of the management letter that should accompany the audit, taking into consideration whether the grantee has received a finding and/or the auditor noted recommendations in a management letter based on the grantee’s current accounting practices. Audits deadlines are specified in 2 CFR §200.507(c)(1) (for program-specific audits) and 2 CFR §200.512(a)(1) (for single audits). This score is auto-populated. | | | | | Yes |
| i. During the last three program years, the grantee has not been timely in its submission of audits required under 2 CFR §200.501; OR has received a finding and/or has received recommendations in a management letter based on its current accounting practices. | High | 8 | | | |
| ii. None of the criteria in subfactor (i) applies. | Low | 0 | | | |
| 2.B. Administration and Technical Assistance Cap Risk is based on the violation of the Administration or Technical Assistance cap, which are automatically flagged in DRGR. This score is auto-populated from DRGR data. | | | | | Yes |

| | | | | | |
|--|----------|---|--|--|-----|
| i. The grantee has exceeded the program administration cap of 5 percent or the technical assistance cap of 3 percent in one or more of the last five reported years. | High | 8 | | | |
| ii. The grantee has not exceeded the program administration cap of 5 percent or the technical assistance cap of 3 percent in the last five reported years. | Low | 0 | | | |
| 2.C. Grant Expenditures Risk is based on the grantee reaching its 30 percent grant expenditure requirement within the first year. Risk is also based on the grantee's rate of expenditures (i.e., whether the grantee is on pace to expend 100% of its grant award(s) within the seven-year period of performance (PoP) for each grant); this criterion is first measured in the 4th year of the PoP. This score is auto-populated from DRGR data. | | | | | Yes |
| i. The grantee did not meet its 30 percent grant expenditure requirement within the first year; OR by the 4 th year of the PoP, the grantee is not on pace to expend the entire grant before the end of the PoP. | High | 8 | | | |
| ii. The grantee met its 30 percent grant expenditure requirement within the first year OR if the grantee did not meet its 30 percent grant expenditure requirement within the first year, by the 4 th year of the PoP, the grantee is on pace to expend the entire grant before the end of the PoP. | Low | 0 | | | |
| 2.D. Voucher Revisions Risk is based on the grantee's having numerous or large voucher revisions in DRGR. "Numerous" means having 10 revisions or more. "Large" means total revisions of \$200,000 or more. This score is auto-populated from DRGR data. | | | | | Yes |
| i. The grantee has voucher revisions totaling more than \$200,000 in the last five years; OR has 10 or more draw revisions for any year in the last five years. | High | 8 | | | |
| iii. The above condition doesn't exist. | Low | 0 | | | |
| Subtotal for Financial Management (Max. 32 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which HUD program participants deliver a program that is compliant and clients express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The basis for the Evaluator's rating in this factor is derived from information that could be obtained from, but not limited to client- or citizen-originated correspondence, grantee responses, Freedom of Information Act (FOIA) requests, Congressional inquiries, citizen complaints, press information, loss of community support, failure to reply or submit reports, Action Plans, Performance Reports (PRs), and auto-populated tracking systems. The

Evaluator will award a point value to subfactor A. Choose only one risk score for this subfactor from the point values listed below and enter the associated comment.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|---|---------------|------------|--------------------|----------------------|------------------------|
| 3.A. Grantee Citizen Complaints / Negative Media Exposure Do local issues, media exposure, or citizen complaints negatively impact the grantee's ability to meet program objectives? Does the grantee respond timely to citizen complaints and inquiries? Risk is based on negative media or other issues involving RHP funding, significant negative impacts related to perceived fraud or conflict of interest, any harm to persons involved, or any activities opposed by stakeholders AND the grantee's ability to respond to these issues timely and effectively. This score is manually selected. | | | | | No |
| i. Within the last three years, the grantee has had citizen complaints, issues, or negative media exposure related to its RHP funding and the grantee has failed to respond to the complaints, issues and/or inquiries within the prescribed timeframes. | High | 12 | | | |
| ii. Within the last three years, the grantee has had citizen complaints, issues, or negative media exposure related to its RHP funding, but the grantee has responded to the complaints, issues and/or inquiries within the prescribed timeframes. | Medium | 6 | | | |
| iii. Within the last three years, the grantee has not had any complaints, issues or negative media exposure related to its RHP funding. | Low | 0 | | | |
| Subtotal for Services and Satisfaction (Max. 12 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | MAXIMUM SCORE |
|----------------------------|----------------------|
| 1. Grant Management | 56 |
| 2. Financial Management | 32 |
| 3. Services & Satisfaction | 12 |
| Total | 100 |

Attachment A-10

**Continuum of Care (CoC) Program
Section 8 Moderate Rehabilitation Single Room Occupancy (SRO)
Competitive Grants Risk Analysis Worksheet**

Part I – To Be Completed by CPD Evaluator

Name of Grantee: _____ **Fiscal Year Review:** _____

Name of HUD Evaluator: _____ **Date:** _____

Risk Criteria considerations include:

- Risk exposure to the Department
- The likelihood that a program participant has failed to comply with program requirements; or
- The participant has performed unacceptably

Recipient/Recipient Risk is assessed to:

- Determine Recipient/recipients that pose the highest risk to the Department
- Identify Recipient/recipients to be selected for monitoring
- Determine the most effective means to identify and carry out actions to increase recipient effectiveness

If a recipient has been awarded funds under more than one HUD competitive program (Continuum of Care (CoC) Program or Section 8 Single Room Occupancy Moderate Rehabilitation (SRO)), a separate worksheet should be completed for each competitive program carried out by the recipient. In this scenario, separate worksheets must be completed, one for each of the HUD programs. If a recipient has multiple grants under one HUD program, use one worksheet per HUD program only. This worksheet has been designed for evaluating CPD's competitive programs. Although factors and subfactors are consistent for all competitive programs, rating criteria may differ in some cases for recipients.

In completing this worksheet, the Evaluator should consider the total number of all active grants funded under each program. The Evaluator will provide an assessment of the recipient, using three of the four standard factors selected by the Department to determine the level of risk a recipient may pose to a HUD program. The factors include: Grant Management, Financial Management, and Services & Satisfaction. Listed under each factor is a set of subfactors. Each subfactor identifies a set of criteria that will define a numeric value based on risk level. The Evaluator should choose the appropriate risk level based on the definition provided and assign the numeric value that is indicated. One score should be assigned for each subfactor that best represents your assessment of the factual information available on this recipient. This score should be indicated in the Evaluator's Rating Box. The Evaluator's comment box must be completed when any subfactor is rated as high risk with a description that can be clearly understood by an independent reviewer. For those assessment indicators readily available through current reporting systems, the criteria are auto-populated with scores and comments. The evaluator may accept these auto-populated fields or edit as appropriate. If editing an auto-populated field, the Evaluator must document their determination in the Evaluator's Comments field.

CoC and SRO (Attachment A-10)

FACTOR 1 – GRANT MANAGEMENT

Factor Definition: Extent to which the program participant has the capacity to carry out HUD competitive programs according to established requirements.

Rating Considerations: The basis for the Evaluator’s rating under this factor is derived from sources including, but not limited to, consideration of the knowledge, skills, and ability of program staff, and the recipient’s administrative capacity to manage the grant, including: the eligibility of activities and recipients; or problems such as the lack of progress in implementing a project; rapid staff and/or board turnover; major changes in the agency’s mission or direction; lack of experience with Federal grants or project activities; and the frequency and level of technical assistance required by the recipient before and during a project. Additionally, Office of Inspector General (OIG) audits, Analysis of Impediments to Fair Housing Choice, (or an Assessment of Fair Housing), HUD Environmental Review Online System (HEROS)/Request for Release of Funds and Certification 7015.15, and related reporting systems such as IDIS, e-SNAPS, and LOCCS may be considered. The Evaluator should consider any existing or previously identified problems with the physical assets and the extent to which problems have been or are likely to be corrected; whether HUD funds are used for acquisition, construction, or rehabilitation activities; the number of sites at which HUD-funded physical assets are located and the activities supported by the physical asset and the extent of any previous monitoring.

The Evaluator will award point values to subfactors C and D. Choose only one risk score for each subfactor from the point values listed below. The scores and comments for the remaining subfactors are auto-populated.

| FACTOR 1 – GRANT MANAGEMENT | Risk Category | Risk Score | Evaluator’s Rating | Evaluator’s Comments | Auto-populated? Yes/No |
|---|---------------|------------|--------------------|----------------------|------------------------|
| 1.A. Recipient Reporting (CoC Program) Criteria: Risk is based on the recipient’s meeting report deadline for recipient’s annual performance reports considering the last three grant years. | | | | | Yes |
| i. Recipient submitted a report that is untimely (submitted after the due date) and was inaccurate or incomplete (due to errors). | High | 8 | | | |
| ii. Recipient submitted a report that was untimely (submitted after the due date) or was inaccurate or incomplete (due to errors). | Medium | 5 | | | |
| iii. Recipient submitted a report that was timely (submitted by the due date) and was accurate and complete. | Low | 0 | | | |
| 1.B. Program Complexity (CoC Program) Criteria: Risk is based on recipient’s ability to administer complex program activities, as measured by overseeing multiple subrecipients (considering the last three grant years). | | | | | Yes |
| i. Recipient funds and oversees four or more subrecipients. | High | 12 | | | |
| ii. Recipient funds and oversees one to three subrecipients. | Medium | 8 | | | |
| iii. Recipient funds and oversees no subrecipients. | Low | 0 | | | |

| | | | | | |
|---|--------|---------------------|--|--|-----|
| 1.C. Recipient Staff Capacity (CoC Program and SRO) Criteria: Risk is based on current staff capacity of the recipient, in regard to, its ability to ensure programmatic compliance with the regulations and fulfill all of its obligations as a recipient (considering the last three grant years). | | | | | No |
| i. Recipient has the following: (a) is designated as a Unified Funding Agency, (CoC Program only); OR (b) the recipient has experienced turnover in at least one key position of its program administration and the program design is more complex than the current staff's programmatic knowledge. | High | 10 - CoC 25- SRO | | | |
| ii. Key recipient staff responsible for program administration has been newly hired. | Medium | 7 – CoC 10- SRO | | | |
| iii. Recipient has not experienced turnover in at least one key position of its program administration and has designed a program that is comparable to the current staff's capacity and programmatic knowledge. | Low | 0 – CoC 0- SRO | | | |
| 1.D. Recipient Findings and Sanctions (CoC Program and SRO) Criteria: Risk is based on the monitoring of the recipient's program by HUD or OIG to ensure the recipient is meeting program objectives and is compliant with program requirements considering the last three program years. | | | | | No |
| i. Recipient has two or more open HUD or OIG findings; OR sanctions have been imposed; OR HUD has not conducted a monitoring of the competitive program within the last three years. | High | 12 - CoC 25- SRO | | | |
| ii. Recipient has one open HUD or OIG finding from monitoring conducted within the last three years. | Medium | 8 – CoC 10- SRO | | | |
| iii. Recipient has been monitored by either HUD or OIG within the last three years and there have been no findings identified. | Low | 0 – CoC 0- SRO | | | |
| 1.E. Physical Assets (CoC Programs) Criteria: Risk is based on the recipient's award for the use of leasing and/or rental assistance. | | | | | Yes |
| i. Recipient's total program funds for leasing and/or rental assistance is either equal to or exceeds \$400,000. | High | 6 | | | |

| | | | | | |
|---|----------|---|--|--|--|
| ii. Recipient's total program funds for leasing and/or rental assistance is less than \$400,000 | Low | 0 | | | |
| Subtotal for Grant Management (Max. CoC 48 pts./SRO 50 pts.) | Subtotal | | | | |

FACTOR 2 – FINANCIAL MANAGEMENT

Factor Definition: Extent to which the recipient accounts for and manages financial resources in accordance with approved financial management standards and the amount of potential monetary exposure to the Department. The recipient upholds generally accepted conflict of interest policies.

Rating Considerations: The basis for the Evaluator's rating under this factor is derived from information that could be obtained from, but not limited to, financial management under applications submitted in response to NOFAs, approved or amended grant/recipient agreements, audit management systems, assessment of recipient's drawdown history (i.e., IDIS/LOCCS/PAS), the submission of required documents, timeliness standards and expenditure rates as they relate to financial management and history of financial activities, Headquarters (HQ) reporting systems, recipient performance reports and any on-site or remote monitoring information as available.

Factor 2, in its entirety, is auto-populated with scores and comments.

| FACTOR 2 – FINANCIAL MANAGEMENT | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|--|---------------|------------|--------------------|----------------------|------------------------|
| 2.A. Slow Spender/Timely Expenditures (CoC Programs) Criteria: Risk is based upon the terms and conditions for timely expenditures for the competitive program(s) being assessed can be referenced by the program's grant/recipient agreement and/or operating instructions for that program. Timely expenditure of funds means funds are spent in proportion to the timeliness standards found in the NOFA for the year the grant was funded, the grant agreement, or in the program regulations. | | | | | Yes |
| i. Recipient's draws from eLOCCS were after the required quarterly deadline and/or were 90 days after grant expiration. | High | 10 | | | |
| ii. Recipient's draws from eLOCCS were by the required quarterly deadline and by 90 days after grant expiration. | Low | 0 | | | |
| 2.B. Recipient Financial Staff Capacity (CoC Programs) Criteria: Risk is based on the current financial staff capacity of the recipient to ensure financial practices are | | | | | Yes |

| | | | | | |
|---|----------|----|--|--|-----|
| compliant with the program regulations as confirmed through financial monitoring (considering the last three grant years). | | | | | |
| i. Recipient received financial monitoring findings in last three grant years; OR HUD has not conducted a financial monitoring in the last three years. | High | 12 | | | |
| ii. Recipient received no financial monitoring findings in the last three years. | Low | 0 | | | |
| 2.C. Grant Amount (CoC Programs) Criteria: Risk is based upon the total amount of the recipient's grant awards, considering the total sum of projects awarded is in the top 10% of program funding for the most recent competition year. | | | | | Yes |
| i. Recipient's grant awards are either equal to or exceed \$2,170,000. | High | 10 | | | |
| ii. Recipient's grant awards are less than \$2,170,000. | Low | 0 | | | |
| 2.D. Recipient Audits required by 2 CFR § 200.501 (CoC Programs) Criteria: Risk is based on the timely submission of audits required under 2 CFR § 200.501 for recipients of federal funds that expend \$750,000 or more during the non-Federal entity's fiscal year in Federal awards, but special emphasis is placed on whether or not the recipient has received a finding or has received recommendations in a management letter based on the grantee's current accounting practices. Audit deadlines are specified in 2 CFR § 200.507(c)(1) (for program-specific audits) and 2 CFR § 200.512(a)(1) (for single audits). | | | | | Yes |
| i. During the last three program years, the competitive recipient has not been timely in its submission of the audits required under 2 CFR § 200.501; OR has received a finding and/or has received a recommendation in a management letter based on its current accounting practices. | High | 8 | | | |
| ii. None of the criteria in subfactor (i) applies. | Low | 0 | | | |
| Subtotal for Financial Management (Max. CoC 40 pts./SRO 0 pts.) | Subtotal | | | | |

FACTOR 3 – SERVICES & SATISFACTION

Factor Definition: Extent to which recipients effectively and efficiently deliver services to intended beneficiaries/clientele and clients or beneficiaries express satisfaction or dissatisfaction with the delivery of program services.

Rating Considerations: The Evaluator should consider the planned program support and how it is appropriately being carried out to address the intended range of housing needs and related supportive services issues, including any specialized efforts for sub-populations of homeless program participants in serving the proposed number of participants or moving homeless program participants to permanent housing as well as considering information that could be obtained from, but not limited to: Freedom of Information Act (FOIA) requests, applicable NOFAs, approved grant amendment requests, annual performance plans, correspondence, release of funds requests, local-, HQ-, or recipient-generated automated reports or spreadsheets, correspondence or other communication to HUD, the recipient's or other parties with respect to the project and any written or other responses by the recipient, any recent problems, such as citizen complaints, newspaper articles, internet postings, Congressional inquiries, and other forms of correspondence, the recipient/project sponsor's/subrecipient's response/failure to submit reports or respond to inquiries, and the loss of community support. The Evaluator should also include other functional issues related to carrying out and impacting on overall program activities, which include environmental and wage requirements, flood insurance protection compliance as well as compliance with relocation and acquisition policies.

The Evaluator will award point values for Subfactors A and B. Choose only one risk score for each subfactor from the point values listed below.

| FACTOR 3 – SERVICES & SATISFACTION | Risk Category | Risk Score | Evaluator's Rating | Evaluator's Comments | Auto-populated? Yes/No |
|--|---------------|--------------------|--------------------|----------------------|------------------------|
| 3.A. Recipient Citizen Complaints or Negative Media Exposure (CoC Program and SRO) Criteria: Risk is based on negative local issues, media exposure, and citizen complaints received through such sources as program participants, citizen letters, phone calls, hotline complaints, newspaper articles, internet postings, emails, etc., and the recipient. | | | | | No |
| i. In the last three years, the recipient has had negative local issues, media exposure, or citizen complaints related to the program. | High | 6 – CoC 25- SRO | | | |
| ii. In the last three years, the recipient has had no negative local issues or media exposure, but citizen complaints have been received that are concerns and could lead to possible future violations if not addressed by the recipient. | Medium | 4 – CoC 10- SRO | | | |
| iii. In the last three years, no negative local issues, media exposure, or valid complaints have been received. | Low | 0 – CoC 0- SRO | | | |
| 3.B. Recipient Responsiveness (CoC Program and SRO) Criteria: Risk is based upon recipient's timely response to citizen complaints received (considering the last 3 grant years). | | | | | No |

| | | | | | |
|---|----------|--------------------|--|--|--|
| i. In the last three years, the recipient has failed to respond to complaints and/or citizen inquiries forwarded through HUD. | High | 6 – CoC 25- SRO | | | |
| ii. In the last three years, the recipient has not received any complaints forwarded through HUD. | Low | 0 – CoC 0- SRO | | | |
| Subtotal for Services and Satisfaction (Max. CoC 12 pts./SRO 50 pts.) | Subtotal | | | | |

Overall Risk Assessment – Total Score

| FACTOR | CoC MAXIMUM SCORE | SRO MAXIMUM SCORE |
|----------------------------|--------------------------|--------------------------|
| 1. Grant Management | 48 | 50 |
| 2. Financial Management | 40 | 0 |
| 3. Services & Satisfaction | 12 | 50 |
| Total | 100 | 100 |