|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Guide for Review of Economic Development** | | | | |
| **Name of Grantee:** | | **Appropriation(s):** | | |
| **Staff Consulted:** | | | | |
| **Name(s) of Reviewer(s):** |  | | **Date:** |  |

**NOTE:** As stated in Chapter 2 of the monitoring handbook, an important and fundamental principle of the monitoring process is that HUD is required to make findings when there is evidence that a statute, regulation or requirement has been violated, but it retains discretion in identifying appropriate corrective action(s) to resolve deficiencies. An equally fundamental principle is that program participants have due process rights to contest findings (24 CFR part 570 subpart O for local governments and 24 CFR 570.495 for state grantees (in some cases, applicable waivers and alternative requirements may subject states to subpart O)).

As provided in Chapter 2, HUD reviewers are advised that certain questions contain, as a parenthetical below the question, statutory or regulatory citations and/or contract/agreement references. A negative response (“No”) by the HUD reviewer to any such question indicates noncompliance that constitutes a “finding.” Including the basis for the requirement enables the entity being monitored to specifically reference the program requirement at issue. That entity is not precluded from self-assessing during the monitoring to determine if it has information or documentation that would cause the HUD reviewer to form a different conclusion.

In this exhibit, most questions that address requirements contain the specific citation for the source of the requirement (specific citation to a section of a statute, regulation, *Federal Register* notice, or grant agreement). Where a specific citation is contained in the question, it may only apply to certain grants; carefully review the cited requirement to determine its applicability.

In other cases, the question generally references the source of the requirement (e.g., applicable *Federal Register* notices or grant agreement) but does not provide a specific citation. This is because statutory requirements, *Federal Register* notices (including waivers and alternative requirements), and grant agreements can vary significantly from appropriation to appropriation, and waivers and alternative requirements may vary from grantee to grantee. When the question contains a general reference to a source, the reviewer is instructed to review the source to confirm that the relevant requirement that relates to the question is contained in the source and applies to the grantee. The reviewer should answer the question based on the requirement that applies to the grantee. If the reviewer answers the question “no” because the grantee did not comply with the requirements in the source that apply to the grantee, the HUD reviewer must make a note of the applicable citation to document the violation that results in a finding of noncompliance.

Questions without a specific citation or a general reference to a controlling document do not address requirements. These questions are included to assist the reviewer in understanding the participant's program more fully and to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised but cannot result in a "finding."

A “Note” included with a question is intended to assist the reviewer with answering the question and is not a statutory or regulatory citation and/or contract/agreement reference that signals that a negative response (“No”) by the HUD reviewer to the question indicates noncompliance that constitutes a “finding.”

**Instructions:** This Exhibit is to be used to monitor economic development activities carried out with CDBG disaster recovery (CDBG-DR) funds awarded for major disasters that occurred in 2019 and earlier, in addition to the applicable Addendum based on the disaster year being monitored. To monitor any CDBG-DR grant, obtain copies of the appropriate *Federal Register* notice(s). See Attachment 6-1, “Document Reference Tool,” to determine which *Federal Register* notice(s) are applicable, and make sure to use the applicable Addendum based on the disaster year being monitored.  The Exhibit is divided into four sections: Scope of Review; Policies and Procedures; File Review; and Reporting and Oversight. As most CDBG-DR grantees receive waivers for public benefit standards applicable to economic development activities, the reviewer should consider any applicable *Federal Register* notice(s) when responding to the questions below.

**Questions:**

A. SCOPE OF REVIEW

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| --- | --- |
|  | What entity is responsible for the direct administration of the program? |
| **Describe Basis for Conclusion:** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Has the Department granted a public benefit waiverfor the economic development activities under review?  **NOTE 1:** Reviewers should check each applicable *Federal Register* notice(s) as to whether HUD waived standards at 42 U.S.C. 5305(e)(3), 24 CFR 570.482(f), 24 CFR 570.209(b) and (d), and 24 CFR 1003.302(c) for those economic development activities designed to create or retain jobs or businesses and 24 CFR 570.482(g) and 570.209(c) and (d) to the extent these provisions are related to public benefit.  **NOTE 2:** Additionally, question 5 in Exhibit 6-1 contains a table where the reviewer is instructed to list all waivers and alternative requirements HUD has provided specific to the grantee. This question should assist the reviewer in determining if the grantee has a specific public benefit waiver for economic development activities under review. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Has the Department granted a waiverto permit activities in support of the tourism industry?  **NOTE 1:** Reviewers should check each applicable *Federal Register* notice(s) to determine whether HUD issued any grantee-specific waivers and alternative requirements to permit activities in support of the tourism industry.  **NOTE 2:** Additionally, question 5 in Exhibit 6-1 contains a table where the reviewer is instructed to list all waivers and alternative requirements HUD has provided specific to the grantee. This question should assist the reviewer in determining grantee-specific waivers and alternative requirements to permit activities in support of the tourism activities being reviewed. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |
| --- | --- |
|  | Please provide a brief description of the activities. |
|  |

|  |  |
| --- | --- |
|  | Files reviewed (list all). |
| **List Files:** |
| |  |  |  | | --- | --- | --- | | Activity name or number | Funds Expended  ($) | Date of Expenditure (MM/DD/YYYY) | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |

B. POLICIES AND PROCEDURES

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Does the grantee have written policies and procedures for Economic Development activities? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |
| --- | --- | --- |
|  | In regard to ***eligibility*** of activities, do the policies and procedures require: | |
| 1. Activities to relate to the impact of the applicable disaster(s)? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Activities to be located in an area that was Presidentially-declared as a major disaster? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. A determination that the funded CDBG-DR activities are not reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency (FEMA) or the Army Corps of Engineers? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Activities to be CDBG-DR eligible? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Activities to meet a national objective? If the answer is “yes,” list the acceptable national objective(s) below. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 1. Do the policies and procedures require that all reimbursement activities comply with HUD requirements for charging pre-award (“reimbursement”) costs? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. In particular, do the grantee’s policies and procedures require the following: | |
| 1. Limit reimbursement activities to expenses incurred before the date on which the person or entity applied for CDBG-DR assistance?   **NOTE:** If the grantee received funding for disasters occurring between January 1, 2016, and December 31, 2021, the DOB *Federal Register* notice(s) published June 20, 2019 (84 FR 28836) applies. Pursuant to this notice, prior to October 5, 2023, a grantee could award CDBG–DR funds to reimburse individuals and businesses (other than the grantee or subrecipients) for some costs of CDBG–DR eligible activities that were paid with subsidized loans under certain conditions. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Limit reimbursement activities to expenses incurred within one year after the date of the disaster, as applicable?   **NOTE:** For grantees in receipt of CDBG–DR funds for 2016 or 2017 disasters, the *Federal Register* notice(s) published June 20, 2019 (84 FR 28848) applies and the provision of CPD Notice 2015-07 that limits reimbursement to those costs incurred within one year of the disaster shall not apply to reimbursement of costs paid by a subsidized loan. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Do the grantee’s policies ensure compliance with federal cross-cutting requirements including but not limited to Davis Bacon, Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), and Section 3 (as applicable) requirements as described in the applicable *Federal Register* notice(s)?  **NOTE:** If the answer to this question is “no,” the reviewer may consult with the relevant HUD regional or local cross-cutting program. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |
| --- | --- | --- |
|  | Prior to answering the DOB questions in this exhibit, reviewers MUST complete the duplication of benefits section in the applicable Addendum, based on the disaster year being monitored, to ensure proper compliance with DOB and applicable *Federal Register* notice(s).  **NOTE**: Failure to maintain policies and procedures to adequately address duplication of benefits could lead to a violation of the requirement for grants under Public Laws appropriating CDBG-DR funds that the grantee have “established adequate procedures to prevent any duplication of benefits” or otherwise lead to a violation of section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. | |
| After completion of the DOB section in the applicable Addendum, does the grantee illustrate compliance (i.e. “yes” responses for all DOB-related questions)?  If so, the grantee’s policies and procedures are in place to ***prevent*** ***duplication of benefit*** (DOB). | |  |  | | --- | --- | |  |  | | **Yes** | **No** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Do the policies and procedures address recapture of CDBG-DR funds?  **NOTE:** Examples of why a grantee may need to address recapture of CDBG-DR funds could be in the case of an overpayment or duplication of benefits. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
|  | |

|  |  |  |
| --- | --- | --- |
|  | In regard to requirements on ***business*** ***assistance***, as applicable, do the policies and procedures require: | |
| 1. The grantee to conduct basic financial underwriting prior to providing assistance to a for-profit business? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. That no assistance will be provided to private utilities? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. That no assistance will be provided to any business operating in the covered disaster area before the incident date of the applicable disaster, but is now located in another state or labor market area to encourage relocation back to the affected area unless a waiver and modification of the job relocation clause applies?   **NOTE:** HUD waived section 105(h) of the HCDA, 24 CFR 570.210 and 24 CFR 570.482(h) for all recent CDBG-DR supplementals and for most states in older supplemental appropriations to allow a grantee to provide assistance to any business that was operating in the disaster-declared labor market area before the incident date of the applicable disaster and has since moved, in whole or in part, from the affected area to another State or to a labor market area within the same State to continue business. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Do the policies and procedures address monitoring funded activities (e.g., priority and/or frequency)? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

|  |  |  |
| --- | --- | --- |
|  | In regard to ***activities in floodplains, flood hazard area or equivalent in FEMA’s data source identified in 24 CFR 55.2(b)(1),*** do the policies and procedures:  **NOTE**: If any of the answers below is “no,” the reviewer should consult with its regional HUD Environmental Officer to determine the need for a program review and/or monitoring. | |
| 1. Require confirmation of compliance with Section 582 of the National flood Insurance Reform Act of 1994, as amended?   **NOTE 1:** Compliance with Section 582 typically means (1) a check to determine whether the applicant at any time received Federal flood disaster assistance that required the applicant to obtain and maintain flood insurance protection for the assisted property in accordance with the requirements of the Federal flood disaster assistance, but failed to do so; and if (1) occurred, (2) that no CDBG-DR funds are used to make a payment (including any loan assistance payment) to the applicant for repair, replacement, or restoration for flood damage to the assisted property in (1).  **NOTE 2:** For review of compliance with Section 582, use Exhibit 27-1 of this CPD Monitoring Handbook, “Guide for Review of Flood Insurance Protection,” especially questions 7, 8 and 11.  **NOTE 3:** In the case of Federal flood disaster relief assistance provided as a loan, a borrower is only required to maintain flood insurance protection for the assisted property for the life of the loan. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Require the purchase of flood insurance when CDBG-DR assistance is intended in whole or in part for the acquisition, construction, reconstruction, repair, or improvement of any publicly- or privately-owned building or mobile home, and for any personal property contained therein, as a condition of approval of such assistance?   **NOTE:** Flood insurance typically covers structures and insurable personal property that could be destroyed in a flood. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Require that flood insurance be maintained during the life of an assisted property, regardless of transfer of ownership of such property? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Require activities to be designed or modified to minimize harm to or within floodplains in accordance with Executive Order 11988 and 24 CFR part 55? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Require structures constructed, reconstructed, or substantially improved to be elevated or floodproofed? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Please answer corresponding activity questions in applicable Addendum.** | |
| **Describe Basis for Conclusion:** | |

C. FILE REVIEW

|  |  |  |
| --- | --- | --- |
|  | In regard to **eligibility** of activities, do reviewed activity files document: | |
| 1. How the activities relate to a recovery need arising from the impact of the applicable disaster(s)?   [Applicable appropriation law and *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. That activities are located in an area that was Presidentially-declared as a major disaster?   [Applicable appropriation law, *Federal Register* notice(s), and in the grantee’s approved action plan for grantee-identified most impacted and distressed areas] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. A determination that the funded CDBG-DR activities were not reimbursable by, and the CDBG-DR activities are not activities for which funds were made available by FEMA or the Army Corps of Engineers?   [Applicable appropriation law (e.g., P.L. 110-252, P.L. 110-329, P.L. 113-2)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Activities met CDBG eligibility requirements or are eligible pursuant to a CDBG-DR waiver or alternative requirement in the applicable *Federal Register* notice(s)?   [Section 105 of the HCDA for states; activities eligible under 24 CFR part 570, or subpart C for local governments; See applicable *Federal Register* notice(s).] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. That activities were funded in accordance with program or activity policies and procedures? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. HUD’s requirements for charging pre-application (‘reimbursement’) costs of homeowners, businesses, and other qualifying entities?   Refer to Question 8.  **NOTE 1:** See CPD Notice 15-07, *Guidance for Charging Pre-Application Costs of Homeowners, Businesses, and Other Qualifying Entities to CDBG Disaster Recovery Grants,* as amended by the June 20, 2019 *Federal Register* notice, 84 FR 28848, for CDBG-DR grants made in response to major disasters occurring in 2015, 2016, and 2017, and *as may be further amended.* Pre-application costs of homeowners, businesses, and other qualifying entities are different than pre-award costs incurred by a grantee or subrecipient.  **NOTE 2:**This requirement isapplicable to disasters after 2011.  [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Activities were funded in accordance with the policies and procedures for economic development or, if a tourism waiver was granted (refer to Question 3) and grantee is carrying out activities under the waiver for such tourism activities?   **NOTE:** See applicable question in Exhibit 6-1 to see if a specific waiver was granted to the grantee. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

For State Grantees or their subrecipients using the LMI- jobs national objective not under the waiver, the reviewer should answer question 16.b. For units of local government using the LMI- jobs national objective, the review should use the applicable sections in Exhibit 3-5.

Reviewers must answer the national objective question below that corresponds to the national objective met by the activity reviewed: 16-18 (Low- and moderate-income); or 19 (urgent need).

|  |  |  |
| --- | --- | --- |
|  | **Low- and Moderate-income Jobs national objective (LMJ):**  The reviewer must answer a. and d., and b. (jobs created) or c. (jobs retained). | |
|  | 1. For jobs created, and jobs retained – general:   If the answer to the sub-questions i. and ii. below are “yes,” the reviewer can select “yes” for this question. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. Do the grantee’s records indicate the income limits applied and the point in time when the benefit was determined?   [24 CFR 570.506(b)(1) (Entitlement), 24 CFR 570.490 (State), as modified by waivers and alternative requirements in applicable Federal Register notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. Did the grantee considereach assisted business a separate activity for purposes of determining whether the activity qualifies under the LMJ national objective, unless an exception applies?   [24 CFR 570.483(b)(4)(vi)(State) or 24 CFR 570.208(a)(4)(vi)(Entitlement)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. Jobs created – If the activity is designed to create jobs, do the reviewed activity files document that, in accordance with the applicable regulatory requirements, at least 51 percent of the permanent jobs, computed on a full-time equivalent (FTE) basis (taking care not to double count the jobs):   If the answer to the sub-questions below is “yes,” the reviewer can select “yes” for this question.   * 1. Will be held or are known to be held by a low- or moderate-income person (as described in d.);   **OR**   * 1. Will be available to low- and moderate-income persons, and the grantee can demonstrate that the job is made available to low- or moderate-income persons by showing that: (A) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and (B) The recipient and the assisted business take actions to ensure that low- and moderate-income persons receive first consideration for filling such jobs as described in 24 CFR 570.483(b)(4)(iii) or 24 CFR 570.208(a)(4)(iii)?   [24 CFR 570.483(b)(4) and 24 CFR 570.490 (as modified by waiver and alternative requirement) (State); 24 CFR 570.208(a)(4) and 24 CFR 570.506(b)(5) (Entitlement)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. Jobs retained – If the activity is designed to retain jobs, do the reviewed activity files document that the jobs would actually be lost without the CDBG-DR assistance and that either or both of the following conditions apply with respect to at least 51 percent of the jobs at the time the CDBG-DR assistance is provided: 2. The job is known to be held by a low- or moderate-income person (as described in d.);   **AND/OR**   1. The jobs can reasonably be expected to turn over within the following two years and it will be filled by, or steps will be taken to ensure that it is made available to, a low- or moderate- income person upon turnover (and if “made available”, steps are taken to ensure: (A) Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and (B) The recipient and the assisted business take actions to ensure that low- and moderate-income persons receive first consideration for filling such jobs, as described in 24 CFR 570.483(b)(4)(iii) or 24 CFR 570.208(a)(4)(iii)?   [24 CFR 570.483(b)(4) and 24 CFR 570.490 (as modified by waiver and alternative requirement) (State); 24 CFR 570.208(a)(4) and 24 CFR 570.506(b)(6)(Entitlement)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. Jobs created and jobs retained – For each job created or retained, can the grantee document that it used one of the following methods to determine that the jobs are made available to or held by LMI persons: | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | 1. The grantee applied a waiver and alternative requirement modifying 24 CFR 570.483(b)(4)(i) (State), 24 CFR 570.506(b)(5) (Entitlement), and 24 CFR 1003.208(d) and it identified low- and moderate-income jobs benefit by documenting that the annual wages or salary of the job is at or under the HUD-established income limit for a one-person family. (Records must document for each person employed, the name of the business, type of job, and the annual wages or salary of the job)   **OR**  [See applicable *Federal Register* notice(s)] |  |
|  | 1. The grantee documented that the job is held by or made available to a low- or moderate-income person by applying the definitions of low- or moderate-income person, (i.e., the grantee documented that the person is a member of a family whose income falls at or below the applicable income limits published by HUD for section 8 of the United States Housing Act of 1937)?   **OR**  [24 CFR 570.3 and 24 CFR 570.506(b)(1)(Entitlement); 42 USC 5302(a)(20); See applicable *Federal Register* notice(s)] |  |
|  | 1. The grantee’s files show that the grantee can apply a presumption that the person is a low- or moderate-income person because reviewed activity files document one of the following conditions: 2. The person resides within a census tract (or block numbering area) that either: (1) Meets the requirements of 24 CFR 570.483(b)(4)(v) or 24 CFR 570.208(a)(4)(v), as applicable; or (2) Has at least 70 percent of its residents who are low- and moderate-income persons; OR 3. The assisted business is located within a census tract (or block numbering area) that meets the requirements of 24 CFR 570.483 (b)(4)(v) or 24 CFR 570.208(a)(4)(v), as applicable, and the job under consideration is located within that census tract.   [24 CFR 570.483(b)(4) and 24 CFR 570.490 (as modified by waiver and alternative requirement)(State); 24 CFR 570.208(a)(4) and 24 CFR 570.506(b)(5) (Entitlement); See applicable *Federal Register* notice(s)] |  |
|  | **Describe basis for conclusion:** | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | LMI Area Benefit (LMA): Reviewed activity files document that the activities will benefit all of the residents in a particular area and the area defined by the grantee is:   1. Primarily residential;   **AND**   1. One where at least 51 percent of the residents in the area are low- and moderate-income persons or the percent of low- and moderate-income residents in the area equal or exceed the exception criteria or upper quartile?   [24 CFR 570.483 and 24 CFR 570.490 (as modified by waiver and alternative requirement) (State); 24 CFR 570.208(a)(1) and 570.506 (Entitlement); See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | **Describe basis for conclusion:** | |

|  |  |  |
| --- | --- | --- |
|  | LMI Limited Clientele (LMC): Reviewed activity files document:  (To meet the LMC national objective, the answers to 18.a. and 18.b. must be “yes”) | |
| 1. That the activity meets one of the following tests and the activity’s benefits are NOT available to all residents of an area? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. The activity is limited to one or a combination of the 8 population segments (described at 24 CFR 570.208(a)(2)(i)(A) or 24 CFR 570.483(b)(2)(ii)(A)) presumed to be low- and moderate-income by HUD;   **OR**  [24 CFR 570.483(c)(1) and 24 CFR 570.490 (as modified by waiver and alternative requirement) (State); 24 CFR 570.208(a)(2) and 24 CFR 570.506(b) (Entitlement); See applicable *Federal Register* notice(s)] |  |
| 1. The activity requires information on family size and income to show at least 51 percent of the beneficiaries are persons whose family income does not exceed the low and moderate-income limit;   **OR**  [24 CFR 570.483(c)(1) and 24 CFR 570.490 (as modified by waiver and alternative requirement); 24 CFR 570.208(a)(2) and 24 CFR 570.506(b), applicable *Federal Register* notice] |  |
| 1. The activity has income eligibility requirements which limit the activity exclusively to low and moderate-income persons and all persons benefiting are low- and moderate-income;   **OR**  [24 CFR 570.483(c)(1) and 24 CFR 570.490 (as modified by waiver and alternative requirement)(State); 24 CFR 570.208(a)(2) and 24 CFR 570.506(b) (Entitlement); See applicable *Federal Register* notice] |  |
| 1. The location of the activity is such that it may be concluded that the beneficiaries are primarily low and moderate-income persons   [24 CFR 570.483(c)(1) and 24 CFR 570.490 (as modified by waiver and alternative requirement)(State); 24 CFR 570.208(a)(2) and 24 CFR 570.506(b)(Entitlement); See applicable *Federal Register* notice(s)] |  |
| 1. That the activity meets the criteria for one of the following and is not one of the ineligible activities at 24 CFR 570.483(b)(2)(i)(A)-(C) or 24 CFR 570.208(a)(2)(i)(A)-(C)?      1. Benefits a limited clientele, at least 51 percent of whom are low- or moderate-income persons. 2. Serves to remove material or architectural barriers to the mobility or accessibility of elderly persons or of adults meeting the Bureau of the Census' Current Population Reports definition of “severely disabled.” 3. A microenterprise assistance activity carried out in accordance with the provisions of 24 CFR § 570.201(o) with respect to low and moderate-income owners of microenterprises and persons developing microenterprises assisted under the activity during each program year. 4. Provides job training and placement and/or other employment support services where less than 51 percent of those assisted are low- and moderate-income persons as long as: 5. such training or provision of supportive services assists business(es) and the only use of assistance for the project is to provide the job training and/or supportive services; and 6. the proportion of the total cost of the project paid by CDBG-DR funds is no greater than the proportion of the total number of persons assisted who are low or moderate income.   [24 CFR 570.483(c)(1) and 24 CFR 570.490 (as modified by waiver and alternative requirement) (State); 24 CFR 570.208(b)(1) and 24 CFR 570.506(b) (Entitlement); See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |

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|  | Do reviewed activity files document that the activities met the criteria of the Urgent Needs national objective, including one of the following:   1. *If the grantee received a waiver and is subject to an alternative requirement* of the certification requirements at 24 CFR 570.208(c) and 24 CFR 470.483(d) in a *Federal Register* notice, how the program responds to disaster-related impacts identified in the action plan needs assessment;   **NOTE**: The action plan needs assessment in i. under the alternative requirement must have referenced the type, scale, and location of the disaster-related impacts being addressed over the course of the expenditure of obligated grant funds for the program.  **OR**   1. The requirements at 24 CFR 570.208(c) and 24 CFR 470.483(d) if the waiver expired prior to the activity or if the grantee did not receive a waiver of the certification requirements?   [See applicable *Federal Register* notices] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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|  | If the grantee did not meet the criteria of a national objective that is described in the prior questions, do reviewed activity files document that the activity met or will meet the criteria of another national objective?  **NOTE**: Reviewers may choose to consult Chapter 3 and Chapter 4 Exhibits that include a guide for review of national objective criteria to ensure that the activity met or will meet the criteria of another national objective. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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|  | In regard to ***Working Capital***, do reviewed activity files document: | |
| 1. That the grantee excluded expenses for construction or expansion of existing facilities in any calculation involving working capital? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. If the answer to 21.a above is “no,” has the grantee provided a comprehensive assistance package that is subject to environmental review requirements of 24 CFR part 58? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. If the answer to 21.a above is “yes,” has grantee documented the determination of this package’s exclusion from environmental review? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe basis for conclusion:** |  |

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| --- | --- | --- |
|  | In regard to ***activities in floodplains, flood hazard area or equivalent in FEMA’s data source identified in 24 CFR 55.2(b)(1):***  **NOTE**: If any of the answers below is “no,” the reviewer should consult with its regional HUD Environmental Officer to determine the need for a program review and/or monitoring. | |
| 1. Do the activity files document that the grantee confirmed applicant’s compliance with Section 582 of the National flood Insurance Reform Act of 1994?   **NOTE 1:** Compliance with Section 582 typically means (1) a check to determine whether the applicant at any time received Federal flood disaster assistance that required the applicant to obtain and maintain flood insurance protection for the assisted property in accordance with the requirements of the Federal flood disaster assistance, but failed to do so; and if (1) occurred, (2) that no CDBG-DR funds are used to make a payment (including any loan assistance payment) to the applicant for repair, replacement, or restoration for flood damage to the assisted property in (1).  **NOTE 2:** For review of compliance with Section 582, use Exhibit 27-1 of this CPD Monitoring Handbook, “Guide for Review of Flood Insurance Protection,” especially questions 7, 8 and 11.  **NOTE 3:** In the case of Federal flood disaster relief assistance provided as a loan, a borrower is only required to maintain flood insurance protection for the assisted property for the life of the loan.  [42 USC § 5154a(a)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Do the activity files document an applicant’s purchase of flood insurance when CDBG-DR assistance is intended in whole or in part for the acquisition, construction, reconstruction, repair, or improvement of any publicly- or privately-owned building or mobile home, and for any personal property contained therein, as a condition of approval of such assistance?   **NOTE:** Flood insurance typically covers structures and insurable personal property that could be destroyed in a flood.    [42 USC 4012a and see applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Please answer corresponding activity questions in applicable Addendum.** | |
| **Describe Basis for Conclusion:** | |

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|  | In regard toadditional requirements, as applicable,do the activity files reviewed document compliance with requirements of ***business assistance*** policies and procedures?  Refer to Question 12. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
|  | **Describe Basis for Conclusion:** | |

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|  | Have reviewed activities been monitored by the grantee in accordance with its policies and procedures?  Refer to Question 13. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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|  | In regard to Improper Payments, do reviewed activity files document:  **NOTE:** An improper payment means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper. | | | | |
| 1. That an improper payment of CDBG-DR funds was not made?   [See applicable *Federal Register* notice(s); 2 CFR 200.302(b)(4); 24 CFR 570.502] | | | | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. If the answer to 25.a above is “no,” the grantee is taking prompt and appropriate corrective action?   **NOTE:** For example, seeking recapture of funds resulting from an improper payment could be an appropriate corrective action.  [See applicable *Federal Register* notice(s); 2 CFR 200.302(b)(4) and 2 CFR 200.303(d); 24 CFR 570.502] | | | | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **For reviewed activities with an improper payment, please complete the following:** | | | | |
| Activity name or  number | Improper payment amount ($) | Type of improper payment | Corrective action | |
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| Please ensure that the activity names or numbers listed correspond with those listed in Section A, Question 5 of this Exhibit. | | | | |
| **Describe Basis for Conclusion:** | | | | |

D. OVERSIGHT AND REPORTING

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| --- | --- | --- |
|  | If the grantee is not directly administering the program or activity, in regard to oversight: | |
| 1. Is there evidence that the grantee is providing the subrecipient or subgrantee with technical assistance?   [See applicable *Federal Register* notice(s); Section 106(d)(2)(c)(ii) of the HCDA if this certification is not waived (States); 24 CFR 570.503 ] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Is the grantee monitoring activities through an on-site or remote review to effectively ensure compliance with its subrecipient or subgrantee agreement?   [See applicable *Federal Register* notice(s); 2 CFR 200.331; 24 CFR 570.501(b); 24 CFR 570.503] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Is the grantee receiving the subrecipient or subgrantee records that must be submitted to the grantee to comply with their subrecipient or subgrantee agreement?   [See applicable *Federal Register* notice(s); 24 CFR 570.503(b)(2)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |  |  |  | |
| 1. Is the grantee complying with its policies and procedures regarding oversight of subrecipients and subgrantees? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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|  | In regard to the ***Disaster Recovery Grant Reporting (DRGR) system:*** | |
| 1. Are activities classified correctly in DRGR (e.g., the correct accomplishment type is associated with the applicable activity)? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Do quarterly performance reports correctly record the appropriate performance measures (e.g., the number of properties acquired)? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Do performance measures and projected end dates match the information in the program files? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |
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|  | In regard to ***activity completion***: | |
| 1. Are activities completed in accordance with i. through iii. below:   If the answers to the sub-questions i. through iii. below are “yes,” the reviewer can select “yes” for this question. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. The completion dates or period of performance in the contract(s)?   [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. The completion dates in its action plan?   [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. The completion dates entered into DRGR?   [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. If the answer to 28.a above is “no”, was the action plan amended for any subsequent changes, updates or revisions of the projections?   [See applicable *Federal Register* notice(s)] | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. If the answer to 28.a above is “no,” are contracts amended and extended before they lapse?   **NOTE:** The reviewer should look at each applicable *Federal Register* notice(s) for the specific activity completion requirements for its Quarterly Performance Reports and contracts. | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. If the answer to 28.a above is “no,” the reviewer should answer the sub-questions below and describe in its basis for conclusion: | |
| 1. Has the grantee determined the reason for the delay in the activity’s completion? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Has the grantee identified a corrective action to rectify the activity’s delay? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| 1. Has the grantee revised the activity’s completion deadline? | |  |  |  | | --- | --- | --- | |  |  |  | | **Yes** | **No** | **N/A** | |
| **Describe Basis for Conclusion:** | |