

January 29, 2019

Kathy Fedler
CDBG Disaster Recovery Program Manager
Longmont Civic Center
350 Kimbark Street
Longmont, CO 80501

Dear Kathy,

On November 14th & 15th 2018, I conducted an on-site visit for the purpose of monitoring the Boulder County Collaborative (BCC) Community Development Block Grant-Disaster Recovery (CDBG-DR) Infrastructure programs round two activities. Kyndra Daniels and Molly O'Donnell participated in and provided me the information necessary to complete the review. At the time of this review the City of Longmont had executed subrecipient agreements with seven agencies of which two projects were chosen for review, 1) City of Boulder Ponderosa Mobile Home Park Acquisition; 2) Town of Lyons Northern Overflow Infrastructure

During the visit a review of selected items was undertaken in the following program areas: National Objective, Eligible Activity, Environmental Review, Public Improvements, Acquisition/Buyouts, Duplication of Benefits (DOB), Subgrantee Management, Procurement, and Labor Standards.

My review indicates that the City of Longmont, acting as the Lead Agency for the BCC, has the continuing capacity to carry out the program activities in a timely manner. Based on the materials and information provided it appears the program has been implemented in accordance with the requirements and primary objectives of the Housing and Community Development Act and other applicable laws.

NATIONAL OBJECTIVE

Section 104(b)(3) of the Act requires that each project funded meet a national objective. 24 CFR 570.483 contains the criteria for meeting a national objective. I selected two project files for review of national objective compliance for the Infrastructure Program. All files selected contained appropriate documentation to support the national objective used. *There were no concerns or findings in this area.*

ELIGIBLE ACTIVITY

Section IV (D), found in the March 5, 2013 Federal Register requires, "*Clarification of disaster-related activities.* All CDBG-DR activities must clearly address an impact of the disaster for which funding was appropriated. This means each activity must be CDBG- eligible (or receive a waiver), meet a national objective, and address a direct or indirect impact from the disaster in a county covered by a Presidential disaster declaration." All projects were found to be eligible under the Housing and Community Development Act, Section 105(a)(2) and Section 105(a)(1) all projects reviewed addressed an unmet need under "Public Improvements" and "Acquisition of Real Property". *There were no concerns or findings in this area.*



ENVIRONMENTAL REVIEW

24 CFR 58 requires that environmental reviews be performed on all projects funded with CDBG monies prior to incurring costs on the project. The environmental files contained the necessary documentation to show that the projects reviewed were environmentally cleared as follows:

- 1) Lyons Norther Overflow - 8.23.17 ROF - EA Level Review
- 2) Boulder Ponderosa MHP - 7.26.17 ROF - EA Level Review

There were no concerns or findings in this area.

DUPLICATION OF BENEFIT

CDBG regulations contained in the Federal Register (Volume 76, No. 221) require the Subrecipient to determine for each project funded if there is a Duplication of Benefit (DOB).

The Boulder County Collaborative (BCC) has a Duplication of Benefit policy which covers the programs being implemented, of which the City of Longmont is primarily responsible for oversight. In addition, applications are reviewed for Duplication of Benefit. Both files selected for review contained the written agreements with appropriate language regarding duplication of benefits, subrogation, recapture and repayment of funds. Both files were in compliance with the BCC's DOB policy which also considers exclusion of non-duplicative assistance. Calculation worksheets and analysis are present and completed in the files. No post-award determinations of DOB have occurred to date. *There were no concerns or findings in this area.*

PROCUREMENT

The files on procurement were reviewed for both subgrantee monitoring of subrecipient's procurements and DOLA procurements in accordance with 2 CFR §200.317 - 200.326. Each will be addressed below.

BCC Procurements:

There was one procurement action undertaken by the subgrantee since the last monitoring event which resulted in a contract with Ecology and Environment for professional services utilizing an RFQ under provision 2.200.320(b) Small Purchase. *There were no concerns or findings in this area.*

Subgrantee Monitoring of Subrecipients' Procurements:

City of Longmont is monitoring their subrecipients for compliance with the procurement regulations. I reviewed the monitoring conducted of subrecipient procurement transactions. Procurement resources are made available to all subrecipients on the Boulder County Collaborative website, as well as training when requested. Additionally, staff assist subrecipients with all procurement actions if needed, and are reviewed fully as a part of the reimbursement process. *There were no concerns or findings in this area.*

LABOR STANDARDS

24 CFR 570.603 requires that the Davis-Bacon Act (40 USC, Chapter 3, Section 276a-276a-5), the Contract Work Hours and Safety Standards Act (40 U.S.C. 327), and Related Acts, apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair (including painting and decorating) of public buildings or public works.

BCC Staff monitored the Town of Lyons for all Labor Standards and Related Acts. All compliance factors were found to be present in the files and completed in the monitoring forms. *There were no concerns or findings in this area.*

SUBRECIPIENT MANAGEMENT



The review of Budget Management, Monitoring and General Program Management were monitored successfully with no concerns or findings.

As of October 31, 2018 BCC had total allocations from rounds 1, 2 and 3 of \$56,143,735 for Infrastructure program activities including Acquisition/Buyouts, and 69% of the obligated funds have been awarded. Your LMI goal was set at 40% for the Public Improvements/Infrastructure Program. The expenditures for LMI were reported to be 51%. The City of Longmont staff conducts monitoring of subrecipients according to their plan and completed risk assessment. Of the two projects reviewed, one had been fully monitored using the CDBG-DR Monitoring Forms and resulting letter was issued on 9/4/18.

BCC staff are always pleasant, welcoming and prepared. The project files are well organized and easy to review. In particular, I appreciate that both you and your staff are open to ideas about improvements in processes or documentation, and give consideration to suggestions or even take immediate actions to implement ideas that make monitoring quick and efficient. The courtesy and professionalism extended during my visit was much appreciated.

Please retain this letter for permanent storage and make a copy available to your auditor. Should you have any questions, please call me directly at 303.864.7746.

Sincerely,



Stephanie Morey, Compliance and Monitoring Specialist

cc: Dave Bowman, Director - DRU

