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FIFTH PROGRAM YEAR

Annual Action Plan

The Consolidated Plan Management Process (CPMP) Fifth Annual Action Plan includes the Standard Form (SF) 424 and Narrative Responses to Action Plan questions that Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grants (ESG) grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations.

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Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 5 Action Plan "Executive Summary" Response:

Background

In 1995, the United States Department of Housing and Urban Development (HUD) began requiring local communities and states to prepare a Consolidated Plan (Con Plan) in order to receive federal housing and community development funding. The Con Plan combines into a single document the previously separate planning and application requirements for CDBG, ESG, HOME, and HOPWA funding and the Comprehensive Housing and Affordability Strategy (CHAS). Con Plans are required to be prepared every three to five years with annual updates. The City of St. Louis (City) chose the five year planning period and is currently implementing the 2010–2014 Con Plan. The City's Con Plan may be viewed in its entirety on the City's website at http://www.stlouis-mo.gov/government/departments/community-development/documents/2010-14-consolidated-plan.cfm.

The purposes of the Con Plan are two-fold:

1. To identify a city's or state's housing and community development (including neighborhood and economic development) needs, priorities, goals, and strategies; and

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2. To stipulate how funds will be allocated to housing and community development activities.

As a condition of receiving CDBG, ESG, HOME, and HOPWA funding each fiscal year, the City is required to develop an Annual Action Plan for submittal to, and approval by, HUD. Each completed Annual Action Plan details how the HUD funds would be utilized in the upcoming fiscal year to address the housing and community development needs described in the five year Con Plan. The Annual Action Plan also identifies other resources that will be used to meet the housing and community development needs during that period. At the time of its adoption, each Annual Action Plan becomes a part of the Con Plan. The City's 2014 Annual Action Plan implements Year 5 of the 2010–2014 Con Plan and addresses the HUD consolidated planning requirements for the CDBG, ESG, HOME, and HOPWA programs. The 2014 Annual Action Plan begins January 1, 2014, and ends December 31, 2014.

The Action Plan provides a description of the activities to be undertaken in 2014 for the entitlement programs listed in Table 1 below:

Table 1. 2014 Entitlement Allocations

Community Development Block Grant (CDBG)	$16,196,881
HOME Investment Partnerships Program (HOME)	$2,185,801
Emergency Solutions Grants (ESG)	$1,157,942
Housing Opportunities for Persons with AIDS (HOPWA)	$1,250,073
Total	**$20,790,697**

Program income is the gross income received by the grantee that was directly generated from the use of CDBG funds. Per HUD guidelines, program income may be used as an additional resource, but is subject to all other CDBG requirements and must be used prior to the entitlement funds. Table 2 below shows the amount of the CDBG and HOME program income that will be utilized in 2014:

Table 2. CDBG Program Income in 2014

CDBG	$400,000
HOME	$75,000
Total	$475,000

Objectives and Outcomes

As of October 1, 2006, all HUD-funded activities must fit within the Outcome Performance Measurement Framework to provide standardized measurements nationwide. The framework consists of a matrix of three objectives (i.e., Decent Housing, Suitable Living Environment, and Economic Opportunity) and three outcomes (i.e., Availability/Accessibility, Affordability, and Sustainability) as shown on the following table:

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Table 3. Outcome Performance Measurement Framework

	Outcome #1 Availability/Accessibility	**Outcome #2** Affordability	**Outcome #3** Sustainability
Objective #1 Decent Housing	Create decent housing with improved or new availability/accessibility	Create decent housing with improved/new affordability	Create decent housing with improved/new sustainability
Objective #2 Suitable Living Environment	Enhance suitable living environment through improved or new availability/accessibility	Enhance suitable living environment through improved/new affordability	Enhance suitable living environment through improved/new sustainability
Objective #3 Economic Opportunity	Provide economic opportunity through improved or new availability/accessibility	Provide economic opportunity through improved/new affordability	Provide economic opportunity through improved/new sustainability

2014 non-administrative/planning funds will be allocated as follows:

Table 4. Outcome Performance Measurement Framework

	Outcome #1 Availability/Accessibility	**Outcome #2** Affordability	**Outcome #3** Sustainability
Objective #1 Decent Housing	$3,312,721	$198,000	$2,494,409
Objective #2 Suitable Living Environment	$1,537,365	$0	$4,350,961
Objective #3 Economic Opportunity	$1,300,000	$0	$1,000,000

Please refer to the summary of objectives and outcomes (Appendix A) and the individual project sheets (Appendix F) for detailed information on specific activities, including the amount of funds to be expended for each project or activity in 2014.

The table in Appendix A also summarizes the targeted accomplishments of the individual projects and activities in 2014 per Con Plan goal and methodology to allow for evaluation at the programmatic level.

Past Performance Evaluation (January 1, 2012 through December 31, 2012)

The Consolidated Annual Performance and Evaluation Report (CAPER) is the annual report the City submits to HUD that describes the progress made in carrying out the Con Plan and the Annual Action Plan. The City submitted the 2012 CAPER to HUD on April 1, 2013. The full report can be accessed on the City's website at http://www.stlouis-mo.gov/government/

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departments/community-development/documents/2012-caper.cfm. Following is a summary of the 2012 CAPER:

In 2012, the City continued to make steady progress in meeting the goals and objectives stated in the Con Plan. The following list features some of the City's accomplishments:

- **Rental and Owner Occupied Housing Production**: In 2012, the City provided assistance to developers that allowed for the completion of 415 affordable housing units, 311 rehabilitated and 104 newly constructed. The continued stagnation in the housing market, tight credit and lending standards, and persistent unemployment nationwide has had a very significant impact on affordable for-sale production. The effects of continuing increases in labor and material costs, combined with declining household incomes and the shortage of available federal subsidy dollars, are also evident. In addition to the above, the City provided assistance to developers that allowed for the completion of 79 market rate housing units, 56 of which were for-sale and 23 of which were rental. New construction sponsored or directly developed by Community Based Development Organizations accounted for 23 of the units.

- **Home Repair Activities**: In 2012 a total of 154 households were assisted through City-funded home repair programs. The 154 units fell short of the City's one-year goal (270 units), largely due to budget reductions in both CDBG and HOME. Minor home repairs were undertaken by Home Services, Inc., Carondelet Community Betterment Federation and Riverview West Florissant Development Corporation. Collectively, the agencies completed 636 minor home repair projects, which exceeded the 2012 goal of 625 projects completed. The agencies completed nearly 3,200 individual home repairs in the 630 projects.

- **Mayor's Comprehensive Action Plan to Eradicate Lead Poisoning by 2010**: During 2012, 385 housing units were remediated and cleared through various City-funded initiatives. A total of 382 lead hazard evaluations were conducted by the Building Division's Lead Inspection Department. Of those inspections, 41% occurred because of an elevated blood-level investigation, meaning that a child with lead poisoning had been associated with the unit. In addition, the Building Division under the Healthy Home Repair Program conducted 69 risk assessments. Nearly all of these were under the category of primary prevention. Three HUD Lead Grants allowed for the remediation of 112 units.

- **Neighborhood Improvement:** In 2012, 19 local community development corporations (CDC's) carried out activities designed to improve housing or public facilities within their respective service areas.

- **Infrastructure and Public Facilities**: In 2012, one project was completed.

- **Public Services:** In 2012, 1,139 seniors were assisted; 7,484 youths participated in various CDBG funded activities including recreational opportunities, after-school programs and employment training; 119 children were provided day care services; 1,530 individuals received fair housing information; 63,105 uninsured or

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underinsured patients were provided health care; and 200,051 low and moderate income individuals benefited from various general public service programs. The totals reflect some duplication of services, as numerous individuals may have participated in multiple programs.

- **Economic Development**: A total of 334 businesses were provided economic development assistance in 2012, either through direct loans or through facade or public improvements in commercial districts.

- **Homeless Needs:** With the changes in 2012 through the HEARTH Act and a second wave of ESG funding, the City was able to continue the relocation of individuals residing in encampments along the Mississippi River in downtown St. Louis. The City and 20 of its partners provide mental health and other services, along with a stable place to live for chronically homeless men and women in our community for up to 12 months.

- **Non-Homeless Needs**: In 2012, the City continued to coordinate HOPWA grant funds with Ryan White Part A funding to provide a continuum of housing opportunities and supportive services for low-income individuals and families living with HIV/AIDS.

The City successfully leveraged its CDBG, HOME, ESG, and HOPWA funds with other programs and funds from various sources in 2012. Some of these programs include the City and State Affordable Housing Trust Funds, Neighborhood Preservation Tax Credits and incentives offered through the Missouri Housing Development Commission.

General Questions

1. *Describe the geographic areas of the jurisdiction (including areas of low-income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.*

2. *Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.*

3. *Describe actions that will take place during the next year to address obstacles to meeting underserved needs.*

4. *Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.*

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Program Year 5 Action Plan "General Questions" Response:

Geographic Areas

The boundaries of the City of St. Louis encompass some 61.4 square miles and were fixed at their current limits by a vote of residents in 1976. The City of St. Louis is an independent city and is one of only a handful of cities in the country that function as both cities and counties – thus, it has not been possible for the City of St. Louis to add to its land area and tax base by annexing adjacent unincorporated land area. From 1950 to 2010, the City lost more than 500,000 people – over 62% of its population – as the number of people living in the City dropped from 850,000 at the 1950 census to less than 320,000 in 2010. Nearly two-thirds of the City's population has incomes that meet the definition of low and moderate income.

Maps illustrating the location of proposed 2014 CDBG, ESG, and HOPWA projects are attached to this document as Appendix B. Note that there are no maps showing the locations of Housing Production and Home Repair projects because they cannot be known in advance; monies are allocated as funding applications are received and approved.

Geographic Allocation of Investments

In the 2014 program year services provided through the CDBG program will be concentrated primarily in low/moderate income neighborhoods, although a limited amount of services may be provided to other areas exhibiting signs or slum or blight. Most areas of the City are low and moderate income areas per HUD definitions. Still other programs operate on a citywide basis but serve only low and moderate income clients or are funded with a combination of CPD and non-CPD funds. HOME funds must be utilized for housing activities benefiting very low-income and low-income families and are targeted accordingly.

Obstacles to Meeting Needs

The downturn in the economy has exacerbated social needs associated with loss of employment, housing and homelessness, and crime. The downturn in economic activity coupled with the reduction of HUD funds available to the City have made the lack of funding an even greater obstacle to meeting underserved needs.

In response, the City continues to actively pursue funds from other sources to leverage its CDBG, HOME, HOPWA, and ESG grant funds. The City also continues to urge its non-profit organizations to secure other sources of funds.

Federal, State and Local Resources Available

An estimated total of $_____ in other federal, state, and local resources will help address the needs identified in the plan. Table 5 below identifies the federal, state, local, and private funding resources estimated to be made available to leverage the City's CDBG, HOME, ESG, and HOPWA funds in addressing the needs identified in this Annual Action Plan.

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Table 5. Estimated Available Funding Resources in 2014

Resource Available	CDBG/HOME	ESG	HOPWA	TOTAL
Other HUD Funds	TBD	TBD	TBD	TBD
Additional Federal Funds	TBD	TBD	TBD	TBD
State of Missouri Funds	TBD	TBD	TBD	TBD
City of St. Louis Funds	TBD	TBD	TBD	TBD
Local and Private Funds	TBD	TBD	TBD	TBD

The project worksheets contained within this plan include the allocation of these additional resources among specific projects and activities.

Managing the Process

1. *Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.*

2. *Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.*

3. *Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.*

Program Year 5 Action Plan "Managing the Process" Response:

Program Administration

Implementation of the City's Con Plan is primarily carried out by the Community Development Administration ("CDA"), the Department of Human Services and the Health Department. The Department of Human Services administers and has the programmatic responsibility for the Emergency Solutions Grant. The Health Department administers and has the programmatic responsibility for the HOPWA program. The Community Development Administration administers the City's CDBG and HOME programs and is responsible for the overall coordination among the three entities in terms of planning, reporting, and interfacing with HUD. Specifically, CDA is the lead agency responsible for managing the Con Plan effort and making sure that the plan is completed, as required. In addition, CDA is responsible for ensuring that the Annual Action Plan is submitted each year by November 15, and that the Consolidated Annual Performance and Evaluation Report is submitted to HUD within 90 days following completion of each program year.

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Non-profit organizations, through subrecipient or subgrant agreements, carry out most projects and activities. In addition, many City Departments also carry out projects and activities through cooperation agreements.

Plan Development Process

The Planning and Urban Design Agency (PDA) is the entity responsible for the formulation and production of the 2010-2014 Con Plan. In developing the plan, PDA met with a variety of City officials, service providers, and advocacy groups. Detailed information regarding this process is set forth in the Con Plan document located on the City's website.

Details for the development of the CDBG and HOME Annual Action Plan components are as follows:

CDBG:

The City's CDBG application process was integral to ensuring robust public participation in the planning of the CDBG program in 2014. The process began with revisions to the application form itself, which took into consideration public input and guidance from representatives of the U.S. Department of Housing and Urban Development's St. Louis Field Office. On July 1, 2013, the 2014 CDBG application packet was made available to the public. CDA held application training sessions on July 10 and July 11, 2013. In addition, answers to technical questions were posted on the City's website through a series of "Frequently Asked Questions" memos. The deadline for submission of the CDBG applications was August 1, 2013. CDA received approximately 65 application submittals and conducted programmatic and fiscal reviews of each application packet from August 1-September 16, 2013.

On _____, the Board of Aldermen received CDA's recommended projects in the form of a proposed ordinance. Applicants and members of the public had the opportunity to make comments before the Board of Aldermen approved the list of projects incorporated into the Annual Action Plan.

On October 17, 2013, CDA held a public meeting to discuss the scoring and ranking and to finalize its prioritized list of projects recommended to the Board of Aldermen for funding. Applicants and members of the public had the opportunity to make comments.

The draft Annual Action Plan was made available for public review and comment from October 15, 2013, through November 14, 2013. Within that 30-day period, the ordinance was presented to the Board of Aldermen for final approval.

HOME:

The approval to use HOME funds in a manner consistent with the goals and objectives of the Con Plan continues to be approved by the Board of Aldermen in conjunction with the CDBG funding ordinance. The process for determining which activities are funded, and the amount of funding is based on needs and priorities as outlined in the Con Plan, input from the community during

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public hearings, budgetary considerations, and responses to a CDA issued RFP. The Annual Action Plan details the projected outcomes for this CDA administered program. CDA will issue an RFP to solicit project proposals that are consistent with the Con Plan's goals and objectives and the HOME program's requirements.

Coordination Enhancement

City staff will continue to work to increase citizen participation and enhance coordination between public and private housing, health, and social service agencies. In 2014, CDA will coordinate efforts among CDBG, HOME, ESG and HOPWA administrators by holding at least two coordination and program update sessions. CDA will also enhance coordination by providing workshops, technical sessions, and other events for all interested public and private organizations.

In 2014, the City will continue its efforts to develop the Con Plan for program years 2015 through 2019. This process will involve extensive outreach to, and coordination with, public and private housing, health, and social service agencies to identify needs, formulate goals and objectives, and create a strategy for their achievement.

Citizen Participation

1. *Provide a summary of the citizen participation process.*
2. *Provide a summary of citizen comments or views on the plan.*
3. *Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English-speaking persons, as well as persons with disabilities.*
4. *Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.*

Program Year 5 Action Plan "Citizen Participation" Response:

Citizen Participation Process

Refer to "Public Participation Enhancement and Outreach" section of this Annual Action Plan for a summary of the citizen participation process.

Table 6 below outlines the schedule for preparing the 2014 Annual Action Plan, in particular with regard to the CDBG program. Note that this schedule is subject to change as additional opportunities for public input may arise prior to submission of the Annual Action Plan to HUD:

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Table 6: 2014 Annual Action Plan Schedule for CDBG Program

Date	Description
June 21-26, 2013	CDBG Request for Proposals (RFP) on line for public comment
June 26-27, 2013	First public hearing, proposal acceptance period and training date and location advertised in the Post, St. Louis American, and on the CDA website and Facebook page; International Institute and Minds Eye Radio station notified.
July 1, 2013	CDBG RFP packet released to public; applications available on CDA website.
July 10-11, 2013	First Public Hearing and CDBG Proposal Workshops
August 1, 2013	CDBG proposal submission deadline
August 2-6, 2013	CDA staff conduct completeness reviews of proposals received
August 12,-September 16, 2013	CDA management staff review and rate proposals
October 8, 2013	CDA Director submits recommendations submitted to Mayor's Office and Board of Aldermen; mailed to community partners and posted on CDA website and Facebook
October 9, 2013	Action Plan Board Bill submitted to Board of Aldermen
October 15, 2013	Draft Annual Action Plan available for review
October 17, 2013	Second Public
	Passage of Action Plan Board Bill by Board of Aldermen
November 15, 2013	Final Annual Action Plan submitted to HUD

Citizen Comments

From June 21 through June 26, 2013, the City solicited comments and questions on the 2014 CDBG RFP process. Responses to the comments can be found on the CDA website at http://www.stlouis-mo.gov/government/departments/community-development/documents/2014-CDBG-RFP-Responses-to-Comments.cfm.

The Citizen Participation process with respect to the 2013 Annual Action Plan was initiated on July 10 and 11, with the first public hearings. Notice of the hearings was posted on the City's website at http://www.stlouis-mo.gov/government/departments/community-development/2014-Proposed-Annual-Action-Plan-Public-Hearing.cfm. The hearing notice was also posted in the St. Louis Post Dispatch and St. Louis American newspapers and on the CDA Facebook page. In addition, notice of the hearings was sent to the CDA mailing list and to the International Institute and Minds Eye Radio. Forty citizens were in attendance at the July 10, 2013 hearing. Seventy-eight citizens were in attendance at the July 11 hearing. This reflects a 280–550% increase in participation during recent years.

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The final public hearing was held on October 17, 2013, with _____ citizens in attendance.

Copies of the minutes of the public hearings are available for review at the CDA office.

Public Participation Enhancement and Outreach

Efforts to broaden citizen participation among minorities, non-English speaking persons, and persons with disabilities are indicated in the draft Citizen Participation Plan currently being reviewed. In addition to having a representative from the Office on the Disabled on call to assist any persons with hearing disabilities attending the hearings for the 2013 Action Plan, the City also has available translators for over 30 different languages for those citizens who do not speak English or can converse more readily in their native language. CDA also notified the International Institute and asked for their assistance in publicizing the Action Plan process and the hearing. The City works with Mind's Eye Information Services so that notices are broadcast over their radio station, which serves persons who are blind or vision impaired.

CDA continues to have the Con Plan, Annual Action Plans, and CAPERs available on its website in a manner convenient for online viewing, downloading, and printing. Draft versions of these documents are made available for citizens, public agencies, and other interested parties to view and comment upon. Additionally, information that applies to these reports and the City's work in general is available. Requests for access to specific information must be made in advance and coordinated with CDA.

CDBG program staff are also available to persons or interested parties requiring technical assistance in understanding the Annual Action Plan, including the CDBG RFP process. This availability and understanding are also used in handling and responding to whatever reasonable complaints are made concerning the Annual Action Plan and its undertakings.

Unaccepted Comments

Not applicable. All public comments received are accepted.

Institutional Structure

1. *Describe actions that will take place during the next year to develop institutional structure.*

Program Year 5 Action Plan "Institutional Structure" Response:

The City's primary development agencies -- the Community Development Administration (CDA), the Planning and Urban Design Agency (PDA), and the St. Louis Development Corporation (SLDC) -- work together to plan and implement housing and economic development activities within the City of St. Louis. CDA is responsible for the administration of federal funds for housing, community and economic development programs that strengthen the City of St. Louis and its neighborhoods. PDA, which was created in the summer of 1999 upon passage of Ordinance 64687 to focus on planning for the future of the City of St. Louis, provides staff support for the Planning Commission and is comprised of four divisions: Planning and Urban

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Design, Cultural Resources, Research, and Graphics/Computer Mapping. SLDC is a not-for-profit corporation organized under Chapter 355 of the Missouri State Code with the mission of fostering economic development and growth in the City by increasing job and business opportunities and expansion of the City's tax base.

Together, these agencies will continue to work together, along with other key City Departments, in the upcoming program year to effectively plan and carry out housing, economic development, and other community development activities essential to the continued development of the City.

In 2014, CDA will continue to update its website to make it more visually appealing and user friendly. CDA will also continue to bolster general staff capacity through various trainings.

Monitoring

1. *Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.*

Program Year 5 Action Plan "Monitoring" Response:

The City of St. Louis strives to ensure that each Department meets the programmatic and financial expectations of its citizens through the implementation monitoring procedures for the CDBG, HOME, ESG and HOPWA programs.

CDBG Monitoring Procedures

In 2014, CDA's monitoring of its CDBG subrecipients will have four components: project implementation, contract management, monitoring compliance, and fiscal monitoring. For the purposes of this section, the term "subrecipient" also includes City departments funded under cooperation agreements.

- Project Implementation: Prior to implementation of activities, subrecipients that receive CDBG funding will be required to attend a mandatory workshop that will include an overview of CDBG requirements, other federal requirements, and City contracting requirements. A copy of HUD's *Playing by the Rules Handbook* will be distributed to all subrecipients. In addition, training opportunities will be offered throughout the year to assist subrecipients in project implementation and capacity building.

- Contract Management: All subrecipients will be assigned a program monitor who will be responsible for the contract execution process. All contracts will include HUD requirements and will specify compliance requirements and reporting. The program monitor will also be responsible for contract compliance and ongoing technical assistance throughout the contract period.

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- Program Monitoring Compliance: The primary goal of program monitoring will be to identify deficiencies and promote corrections in order to improve, reinforce, or augment the subrecipients' performance. As part of this process, City staff will watch for the potential of fraud, waste, mismanagement, and/or other opportunities for potential abuse. Contract provisions will be in place that will provide for the suspension of funds, termination of the contract, and disallowance of reimbursement requests at any time during the program year based on performance deficiencies. On an individual basis, staff will work with subrecipients to correct identified deficiencies through discussion and/or technical assistance, prior to imposing any sanctions.

  The monitoring process will involve desk audits of reports and supporting documentation, onsite monitoring reviews, frequent telephone contacts, written communications, and meetings. To facilitate the monitoring process, program monitors will complete risk assessments for their assigned agencies. Organizations with no prior CDBG experience will automatically be considered high risk, and will receive additional technical assistance throughout the contract period. Organizations with prior CDBG experience will be assessed based on the following criteria:

  - Amount of the grant;
  - Nature of the activity;
  - Timeliness of financial and programmatic reports;
  - Staff turnover;
  - Prior performance; and
  - Prior monitoring findings.

  Where risk analysis reveals a greater risk of non-compliance, program monitors will perform two onsite monitoring visits during the contract period. In order to assure consistency and fairness in monitoring, program monitors conduct their reviews utilizing a standardized checklist. Any concerns or findings noted during the monitoring visit will be detailed in a letter with corrective action recommendations and deadlines for implementation.

  In addition to the above, CDA continues to comply with regulatory compliance programs, such as Labor Standards and Section 3.

- Fiscal Monitoring: The CDA fiscal staff is responsible for the fiscal monitoring of its subrecipients. A fiscal monitoring schedule for all organizations awarded CDBG and/or HOME funds in the Program Year will be created and reviews/visits will be prioritized based on funding award amount, prior and/or current financial management concerns and CDBG/HOME administration experience. The fiscal monitoring will be conducted to determine the organization's overall compliance with HUD 24 CFR 570, 24 CFR Part 84 and 24 CFR Part 85, OMB Circular A-110, OMB Circular A-133, OMB Circular A-122, CDA Operating Agencies Procedure Manual and all other Federal, State and local laws and regulations governing the expenditure of CDBG and HOME funds. Tax filings, financial statements and accounting records and procedures will be reviewed to

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test compliance in the following areas, internal controls, allowable costs/cost principles, eligibility, matching, level of effort, earmarking and reporting. At the conclusion of the fiscal monitoring review/visit, a monitoring results letter will be issued to each organization. Any concerns or findings noted during the monitoring review/visit will be detailed in the letter with corrective action recommendations and deadlines for implementation.

To ensure compliance with OMB Circular A-133 reporting requirements, a list of all grant awardees will be maintained to track and ensure timely submission of an independent OMB Circular A-133 audit reports to CDA and the Federal Audit Clearinghouse for any organization expending $500,000 or more in federal funds during the fiscal year. CDA will review completed reports to determine compliance with all application regulations. Any findings noted in the reports will be addressed by CDA with corrective action recommendations and deadlines for implementation.

All awardees not required to have an independent OMB Circular A-133 report will be required to submit a certification letter to CDA stating they did not expend $500,000 in federal funding during the last fiscal year. The certification letters will be maintained in the fiscal monitoring files.

HOME Monitoring Procedures

The Residential Development Section is responsible for monitoring functions associated with HOME-funded activities. Staff persons conduct on-site inspections of HOME assisted rental housing units to determine compliance with the property standards of 92.251, as well as verifying the information submitted by owners in accordance with the requirements of 92.252.

Approximately _____ multi-family rental projects and owner-occupied properties, comprising more than _____ units, are monitored each year through desk audits and onsite visits to ensure HOME affordability restrictions are being met, and that the administrative, fiscal, and management components of these developments are adequate to meet the needs of the tenants that they house.

HOPWA Monitoring Procedures

The Department of Health retains the services of the Davis & Associates to perform fiscal monitoring of subcontracts issued by the Department of Health. During the monitoring process, auditors (using OMB Circular A-133 as a guide) test up to three months of fiscal reporting and examine fiscal records, time logs, payroll records, acquisition and purchasing, accounting practices and allowable costs. Fiscal monitoring visits occur once during each contract year for each subcontractor. Irregularities are reported in writing, along with recommendations for correction to the Department of Health. Corrective recommendations from the audit team are always adopted by the Department of Health and meetings with the subcontractor take place to develop plans for correcting the irregularities. In extreme cases, this could result in a subcontractor required to return funds to the Department of Health or the termination of a contract.

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The Department of Health requires annual A-133 Audits or its equivalent from all subcontractors receiving over $500,000 in federal funds. The Grants Administrator retains copies of A-133 Audit summary reports. The Internal Audit Section of the City of St. Louis Comptroller's Office and the Department of Health review the audits. The most recent audits from all subcontractors must be reviewed by the Department of Health's fiscal section before any agency receives a Department of Health contract. All contractors (100%) comply with audit requirements in OMB Circular A-133.

In addition to fiscal audits performed by subcontractor, Davis & Associates, the Contract Compliance Officer conducts monitoring site visits for each subcontractor during the contract year to review program deliverables, instruct providers on reporting requirements, assess training and technical assistance needs and make recommendations for programmatic improvement. A Contract Compliance Policy is included as an attachment in each contract. When an issue is identified, the Grants Administrator negotiates a corrective action plan with the contractor. A written action plan may be required. Unresolved issues are addressed by the Grants Administrator, Bureau Chief and ultimately the Commissioner of Health, as needed. Subcontractors are notified that failure to correct compliance issues will result in a funding reduction of one percent from the administrative line item for each unresolved occurrence. Recurring compliance issues may result in a termination of the subcontract.

The Contract Compliance Officer also performs desk audits on the monthly provider invoices to monitor deliverables set within the contract and scope of work.

The Department of Health utilizes a programmatic monitoring tool for each service category and provider. The tool describes the purpose of the monitoring visits and data elements to be monitored and includes a checklist of relevant contract responsibilities and deliverables. Key areas of the site visit tool include: program-wide elements, individual category specific elements (i.e., TBRA, STRMU, Facility Based Housing, Supportive Services, Housing Information, etc), financial systems and controls, audits, procurement, property and equipment, personnel policies and procedures, client chart review, program highlights and challenges, progress towards contract deliverables, and suggestions for program improvement. The monitoring tool identifies section strengths, findings and/or concerns. Site visit results are reported to the provider in writing. Providers are required to respond to findings within 30 days and submit a time-phased corrective action plan.

Lead-Based Paint

1. *Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.*

Program Year 5 Action Plan "Lead-Based Paint" Response:

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The City received a competitive Lead Hazard Reduction Demonstration grant from the HUD Office of Healthy Homes and Lead Hazard Control which began March 5, 2012 when HUD released the funds and allowed activities to commence. The grant will continue until October 31, 2014. Funding from this grant will allow the City to continue implementation of Mayor Slay's Comprehensive Action Plan to Eradicate Lead Poisoning.

Under this grant, the City will remediate lead in a minimum of 333 housing units. Twenty-five persons will be trained and licensed as lead workers and 100 individuals will receive lead safe work practices training. The Community Development Administration will monitor and oversee grant activities, conduct intakes and process applications. The Health Department will screen 1,080 children and reach 3,600 persons through 240 outreach and education sessions in an effort to further decrease rates of lead poisoning. The Building Division will conduct a total of 650 risk assessments and lead inspections in order to determine the presence of lead hazards in residential housing units. In addition, they will perform project design and scope of work development, temporary relocation, job site monitoring, clearance testing and enforcement. They will also provide remediation services through their in-house detox crews.

The plan focuses on preventing lead exposure through proactive detection, environmental hazard control, enforcement and education. The owners of any housing units in which hazards are detected are offered compliance assistance from the various HUD grants as well as from the Building Division's Lead Remediation Fund. In the event that property owners do not address the lead hazards independent of the City's resources, or if they do not accept the offer of compliance assistance, then the property owners are sent to housing court for enforcement.

In addition, the various CDA-funded home repair programs serve as an effective primary prevention tool in that each property that is repaired under the comprehensive program receives a lead hazard risk assessment which will result in the reduction of the hazards regardless of whether or not children currently reside in the property. The City's initiatives also focus on repairing rental properties. Therefore, a substantial portion of the grant funds is allocated to remediate lead hazards in housing units occupied by low/moderate income tenants. Those rental units that are deemed to be "lead-safe" are placed on the City's Lead-Safe Housing Registry.

In an effort to augment the City's Lead Remediation Fund (LRF), which is funded primarily by building permit fees, the City recently expanded its Housing Conservation District to include most of the City and increased the fee for obtaining an occupancy permit. Sixty percent of the additional revenue generated will be allocated to the LRF. This will assist the City in sustaining its lead abatement activities in the event that HUD lead remediation funding is decreased or eliminated. Funding will pay for inspections and risk assessments as well as for remediation projects carried out by lead abatement contractors.

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