

ENROLLED RESOLUTION 166-5

ACCEPT REPORT OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDGB)
AND HOME PROGRAM ADMINISTRATION REVIEW

WHEREAS the year 2011 Waukesha County budget contained an objective to coordinate and oversee a study of Community Development, HOME and CDBG programs to determine their proper alignment within the County's organizational structure, and

WHEREAS Waukesha County contracted with a consultant to evaluate existing administrative procedures, organizational alignment, identify best practices of other programs of similar type and scale and define potential CDBG process improvements, and

WHEREAS the consultant prepared a report proposing several recommendations to assist ongoing efforts to streamline and improve Community Development programs.

THE COUNTY BOARD OF SUPERVISORS OF THE COUNTY OF WAUKESHA
RESOLVES that the report of the CDBG and HOME Program Review and Improvement Project, which is on file with the Department of Parks and Land Use, is accepted as written.

BE IT FURTHER RESOLVED that the recommendations contained in the report shall be implemented by the Department of Parks and Land Use through enabling ordinances, resolutions and budget changes, during the remainder of calendar year 2011 for full implementation commencing January 1, 2012.

ACCEPT REPORT OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDGB)
AND HOME PROGRAM ADMINISTRATION REVIEW

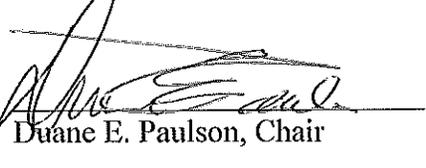
Presented by:
Executive Committee

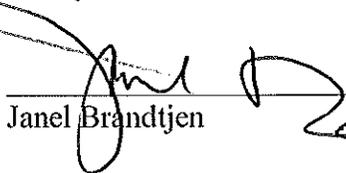
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Land Use Committee

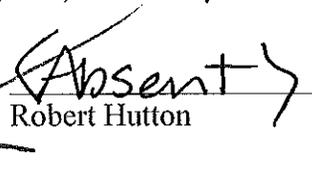
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Personnel Committee

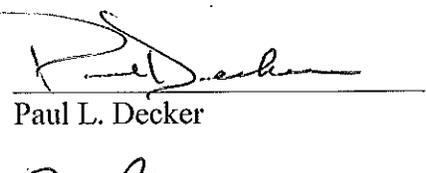

James T. Dwyer, Chair

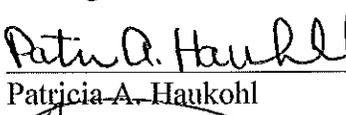

Fritz Ruf, Chair

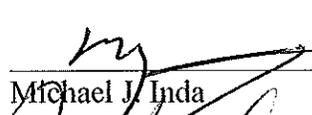

Duane E. Paulson, Chair


Janel Brandtjen

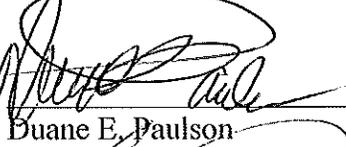

Robert Hutton

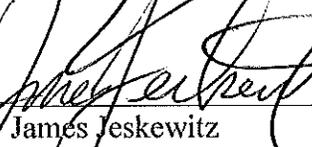

Paul L. Decker

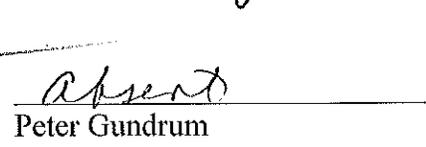

Patricia A. Haukohl


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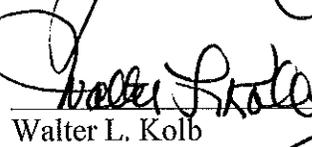

Daniel C. Draeger


Duane E. Paulson

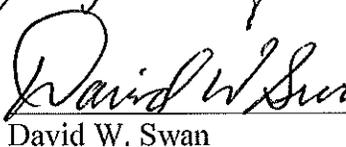

James Jeskewitz

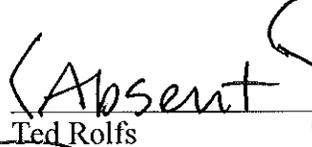

Peter Gundrum

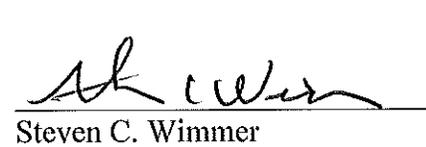

Fritz Ruf


Walter L. Kolb

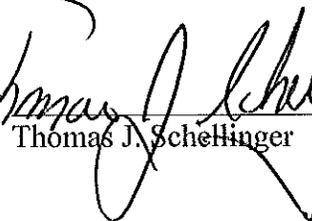

James A. Heinrich

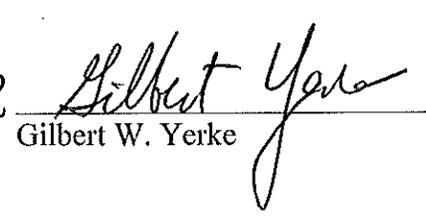

David W. Swan


Ted Rolfs


Steven C. Wimmer


Jean Tortomasi


Thomas J. Schellinger


Gilbert W. Yerke

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, was presented to the County Executive on:

Date: 8-26-2011, 
Kathy Nickolaus, County Clerk

The foregoing legislation adopted by the County Board of Supervisors of Waukesha County, Wisconsin, is hereby:

Approved:
Vetoed:

Date: 8-26-11, 
Daniel P. Vrakas, County Executive

CDBG and HOME Program Administration Review and Improvement Project

Final Report
June 23, 2011

Waukesha County

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I. Executive Summary

Introduction

A business process review of the Waukesha County's CDBG and HOME Programs was conducted to help facilitate internal County staff discussions regarding potential improvements. The review process was not exhaustive and was not a program audit nor intended to measure program outcomes against stated objectives.

The purpose was to identify and document CDBG and HOME program administrative practices, organizational structures, and staffing roles to help identify potential improvements.

Following an initial review of the CDBG and HOME programs, focus was turned to assisting Community Development staff with compiling existing CDBG procedures and forms into a set of process manuals. This effort included adding additional detail to specific areas identified during the most recent HUD monitoring visit in 2010.

The HOME program managed by the Wisconsin Partnership for Housing Development had been defined previously in written Operating Procedures (By-Laws) and other documentation created by the Wisconsin Partnership and HOME Consortium.

Recommendations

These recommendations will help ongoing efforts to streamline and improve Community Development programs while work continues to compare best-practices with similar programs around the country.

1. Location, Organization and Management Practice Recommendations

The current location of Community Development is in the County Executive's Office with administrative staff limited to several assistants. The majority of this staff's work is related to developing, communicating, and overseeing County

policies rather than the daily operational delivery of County programs and services.

Moving the Community Development office's location to an operations department would address concerns regarding the limited administrative support available to ensure CDBG and HOME program compliance and the achievement of program goals. In particular, with limited administrative staff, Community Development has struggled to maintain program file records, track project progress, monitor subrecipients, and submit reports.

This issue was observed by HUD during their March 2010 monitoring visit and stated as the following concern in their report:

"In our opinion (HUD), Waukesha County Consortium needs to reallocate resources to effectively provide the administrative support necessary to assure compliance with all the requirements of the programs. These resources are needed to assist in the administrative and/or program-related management; program compliance activities (data entry, IDIS, document preparation and submission) and monitoring of sub-recipients."

In addition to moving Community Development to a larger office area, reorganizing and placing Community Development under another department is recommended. This would simplify the sharing of administrative staff, provide an additional level of managerial oversight, and most importantly foster cross-training to provide backup in the event of any Community Development staff absences.

The Department of Parks and Land Use should be considered as a possible location to place Community Development. Both regularly work with development projects that require communication with impacted communities, environmental reviews, multiple-source funding, and a variety of federal and state regulations. One difference is Community Development's funding and monitoring of subrecipients delivering public services in multiple Wisconsin Counties. This and other differences could be managed by developing new departmental monitoring and reporting practices.

Finally, because the director of the department would assume primary responsibility for reporting program status to the County Executive and oversight committees, the Community Development Coordinator would have more time to focus on implementing the newly assembled CDBG and HOME process manuals. During this process, the Coordinator could readily draw upon the experience and best-practices of other supervisors and managers within the same department.

2. Strategic Plan

Community Development would benefit from a formal strategic planning process to clearly position CDBG and HOME programs within the County's overall economic and community development goals. This would involve the respective Boards, County Executive, County Staff, and community stakeholders.

The planning process would reaffirm or modify the County's current strategy of awarding numerous smaller grants to a large number of subgrantee programs. One alternative is to consolidate awards into larger amounts to fewer subgrantees. The formal strategic planning project could use the County's existing planning processes and resources to compare alternative approaches. The strategic planning project would also provide an opportunity to introduce stakeholders and staff to the CDBG and HOME process manuals for training and to gather their input.

3. Subrecipient Technical Assistance

The increased onsite monitoring and detailed desk monitoring processes described in the Process Manual will require additional technical assistance for new and/or smaller grant subrecipients. Preparing subrecipients in advance of implementing these processes identified by HUD's 2010 monitoring visit will reduce staff time spent responding to the same questions from multiple subrecipients. Proactive technical assistance should also improve subrecipients' overall first-pass compliance rates.

To maximize Community Development Staff time, this could be done as:

- Group training sessions
- Emailed checklists along with existing HUD subgrantee publications
- Checklists and guides available online for downloading
- Phone conference calls

There are numerous existing publications and resources available online for grantees and subrecipients at: www.hud.gov/offices/cpd/communitydevelopment/programs/

These could be used as-is or modified for Waukesha County Community Development use to minimize technical assistance program costs.

4. Visual Workflow Processes

The CDBG and HOME programs would benefit from posting key reports and program tracking charts on a bulletin board in the work area. While computer files are powerful tools for tracking and reporting, posting these reports for everyday visual review by staff and management expedites communications and can reduce the need for some formal reporting. This visual approach also quickly highlights problem areas and unexpected delays.

5. HUD Monitoring Report Responses

This project began the process of addressing the findings and concerns of the March 2010 HUD monitoring report. The process manual should be reviewed with HUD to ensure the processes documented satisfy HUD's expectations and requirements. Also, the HHS single audit review checklist referred to in Waukesha's monitoring response needs to be modified to meet OMB-133 Single Audit Requirements for subrecipients getting over \$500,000 in total federal dollars.

Waukesha County's response to the HUD monitoring report also includes the commitment to perform more onsite monitoring of subrecipients. This represents an increase in staff effort and time for advanced planning; ensuring subrecipients understand and comply with HUD program requirements, reporting, follow-up and closure of monitoring issues; and additional program record keeping.

6. Electronic Documents and Automation

Waukesha County's document scanning and management system could be leveraged to reduce manual paperwork filing activity. Acceptance of electronic files by HUD should be confirmed prior to replacing hardcopy files with a new system.

7. Comparison to Similar Programs

Comparison to similar programs should be continued to identify additional best practices. For example, Waukesha County appears to fund a high number of different projects than most similar size programs. This leverages other community investments in qualified programs which helps prevent County grants from becoming the primary or sole funding source for any one project activity. As recommended earlier, any change in the current strategy should be an outcome of a formal strategic planning process.

8. Process Streamlining (LEAN Office)

The new CDBG Process Manual utilizes a very detailed document numbering system resulting in numerous titles and subsections. The purpose was to provide the flexibility to add and delete documents and forms quickly during the initial review and improvement process. On an ongoing basis, the process manual should be revisited to add, delete, update, simplify and condense the process descriptions originally captured during this project.

Observations

The items below are some general observations of the CDBG and HOME programs relevant to considering program administration changes and improvements. These are detailed in Section II of this report.

- Program Knowledge Resides with Community Development Coordinator
- Potential for Significant Unplanned Financial Impact
- Highly Fragmented Program Governance Structures
- Established Access to Outside HUD Program Experts
- Formalize the Delegation of CDBG & HUD Program Responsibility and Authority

Next Steps

Below are the next steps to continue the improvement process started during this project.

- Review and Consider Above Recommendations
- Complete a Formal Review and Approval of the New Process Manual
- Verify Responses to HUD's 2010 Monitoring Report are Completed
- Schedule the Implementation of New Processes for Future Program Years
- Continue Work to Streamline and Improve Program Processes

Attachments

- Process Manual Index
- Process Implementation Worksheet
- Process Reference to HUD Findings
- Initial Project Report – Feb 2011
- HUD 2010 Monitoring Report
- County's Monitoring Report Response

II Observations

Below are more detailed descriptions of the observations made during the project. These may be helpful during the discussion of future program improvements.

Program Knowledge

The administration of the County's CDBG and HOME programs relies heavily on the decades of experience of the County's current Community Development Coordinator Glen Lewinski. This includes the numerous professional relationships and positions he has developed within the economic and community development communities.

His experience and relationships provide the County with ready access to the historical context of HUD programs and the manner in which these programs are implemented by Waukesha County. As the Process Manual is implemented, it will provide opportunities for cross-training and transferring the knowledge of key program administrative and management activities.

Potential for Significant Unplanned Financial Impact

Federal CDBG and HOME reimbursement funding is contingent on meeting program goals and satisfying program reporting/auditing guidelines. Federal budget cycles may also result in the County dispersing grant funds BEFORE Federal funding levels are finalized or approved. Failure to meet Federal grant requirements or a reduction/elimination of Federal grant programs could result in unfunded liabilities for the County – potentially in the range of hundreds of thousands of dollars.

Highly Fragmented Program Governance Structures

The Waukesha County CDBG program relies upon outside subrecipient or subgrantee organizations to implement programs that meet federal guidelines while also providing the County with sufficient evidence (reporting) to justify program expenditures to Federal program managers.

The governance of the HOME program is further fragmented because it is governed by HOME Board representatives from 4 other counties besides Waukesha: Jefferson, Ozaukee, Washington, and Waukesha. Additionally, the HOME program is administered externally through the Wisconsin Partnership for Housing Development.

This fragmentation of program implementation and management needs to be considered when considering potential program improvements.

Access to Outside Experts

The County benefits greatly from having access to CDBG and HOME expert consultants with extensive experience working for HUD on the CDBG and HOME programs. These resources can provide valuable insights on the County's current and future administrative practices.

Formalize the Delegation of CDBG & HUD Program Responsibility & Authority

During the review, an observation was the possible lack of a written and signed document formally delegating CDBG and HUD related responsibilities and authorities to the Community Development Coordinator. This could be reviewed to determine if documentation of this delegation is a program requirement – for example, NEPA reporting requires documented evidence for the assignment of a Certifying Officer authority.

III CDBG and HOME Overview

Reader Note:

The intended readers of this report are Waukesha County staff members directly involved with the administration of the CDBG and HOME programs. Details on these federal grant programs are not provided. Other readers should consult the Waukesha County Annual Action Plan or the HUD website for more background information on these programs.

This section is provided for high level reference to provide context when considering the project recommendations and observations.

Both the CDBG and HOME are block grant programs. This means that the use of grant funds is not specified and actual use is determined by each grant recipient as long as the outcomes meet HUD objectives.

Community Development Block Grant Program (CDBG)

This HUD program requires that funded projects meet one of three national objectives:

- principally benefit low- and moderate-income persons
- prevent or eliminate slums and blight
- or meet s specific urgent community need

HOME Investment Partnership Program (HOME)

This HUD program funds a wide range of activities including those that:

- build, buy, and/or rehabilitate affordable housing for rent or homeownership
- provide direct rental assistance to low-income people

Nationally, it is a common practice for CDBG and HOME grant recipients to outsource program implementation through competitive proposals submitted by local nonprofits, local government agencies, and companies. These sub-grantees often have the infrastructure, talent, and experience to manage the delivery of program services and benefits to the public. Frequently, these outside organizations also obtain funding from other sources allowing them to leverage and maximize the impact of CDBG and HOME grant funds.

V Attachment Descriptions

Process Manual Index

This is the Process Manual table of contents.

Process Implementation Worksheet

This is a spreadsheet created to track the review, approval, and implementation schedule of the processes and forms captured in the Process Manual.

Process Reference to HUD Findings

This is a cross reference matrix linking specific Process Manual sections to each of the County's responses for HUD's monitoring findings and concerns.

Initial Project Report – Feb 2011

This is the report that followed the initial CDBG and HOME review. Based upon this preliminary review, focus was turned towards assisting Community Development Staff with assembling existing process documents into a centralized Process Manual. This addressed some of HUD's monitoring concerns while providing the information that would be needed to compare Waukesha County's programs with similar programs around the country.

HUD 2010 Monitoring Report

This is a scanned copy of HUD's 2010 monitoring report for reference.

County's Monitoring Report Response

This is a scanned copy of Waukesha County's response to HUD's 2010 monitoring report for reference.

WAUKESHA COUNTY BOARD OF SUPERVISORS

V

DATE-08/23/11

(RES) NUMBER-1660005

- 1 D. FALSTAD.....AYE
- 3 R. HUTTON.....AYE
- 5 J. JESKEWITZ.....AYE
- 7 P. HAUKOHL.....AYE
- 9 J. HEINRICH.....AYE
- 11 F. RUF.....AYE
- 13 P. DECKER.....AYE
- 15 P. MEYERS.....AYE
- 17 J. TORTOMASI.....AYE
- 19 S. WIMMER.....AYE
- 21 W. ZABOROWSKI.....AYE
- 23 D. DRAEGER.....AYE
- 25 G. YERKE.....AYE

- 2 T. ROLFS.....AYE
- 4 J. DWYER.....AYE
- 6 J. BRANDTJEN.....AYE
- 8 T. SCHELLINGER.....AYE
- 10 D. SWAN.....AYE
- 12 P. WOLFF.....AYE
- 14 M. INDA.....AYE
- 16 D. PAULSON.....AYE
- 18 K. CUMMINGS.....AYE
- 20 P. JASKE.....AYE
- 22 P. GUNDRUM.....AYE
- 24 W. KOLB.....AYE

TOTAL AYES-25

TOTAL NAYS-00

CARRIED _____

DEFEATED _____

UNANIMOUS X

TOTAL VOTES-25