



U.S. Department of Housing and Urban Development
Buffalo Office
465 Main Street
Buffalo, New York 14203-1780
(716) 551-5755

OCT 02 2019

The Honorable Byron W. Brown
Mayor, City of Buffalo
City Hall – Room 201
65 Niagara Square
Buffalo, NY 14202-3376

Dear Mayor Brown:

SUBJECT: Fiscal Year 2019 Monitoring Review of Community Development Block
Grant Program (CDBG) and Housing Opportunities for Persons with AIDS
Program (HOPWA)

This Office recently conducted a monitoring review of the subject programs in order to assess the City's performance relative to outstanding regulations and requirements. The purpose of this letter is to convey the results of this monitoring review.

The enclosed monitoring report provides the details of our review. There are no concerns or findings noted in the report.

I would like to thank you and your staff for your professionalism and cooperation during this process. If you have any questions regarding the enclosed monitoring report, please contact Alex J. Vilardo, Senior Community Planning and Development Representative, at (716) 551-5755 extension 5831.

Sincerely,

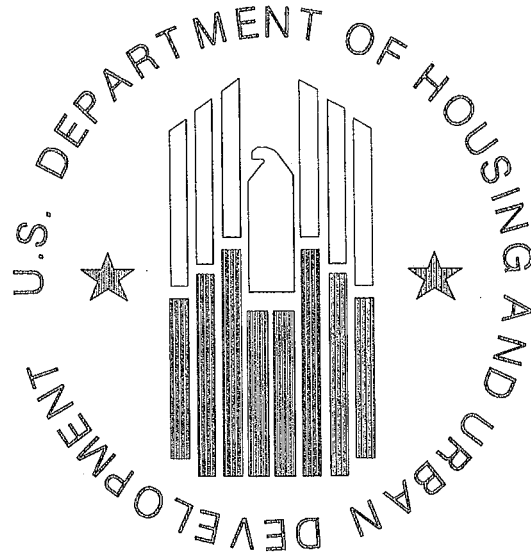
A handwritten signature in cursive script, reading "Lisa M. Pugliese".

Lisa M. Pugliese
Field Office Director

Enclosures

cc: Brendan Mehaffey
✓ Rashika Hall

**U.S. Department of Housing & Urban Development
Buffalo, New York Office**



**Monitoring Report
Community Development Block Grant
(CDBG) Program
and
Housing Opportunities For Persons with AIDS
(HOPWA) Program**

City of Buffalo, New York

Monitoring Dates:
August 26-29, 2019
September 4, 2019

October 2, 2019

INTRODUCTION

Monitoring is the principal means by which HUD ensures that programs and technical areas are carried out efficiently, effectively, and that the programs comply with applicable laws and regulations. It assists grantees in improving their performance, developing or increasing capacity and augmenting their management and technical skills. Also, it provides the means for staying abreast of the efficacy of CPD-administered programs and technical areas within the communities HUD programs serve. Monitoring is not limited to a one-time review but is meant to be an ongoing process that assesses the quality of a grantee's performance over a period of time involving continuous communication and evaluation. Specifics relating to this evaluation are as follows:

Date(s) Monitoring Conducted: August 26-29, 2019
September 4, 2019

Type of Monitoring: On-site

HUD Reviewers: Alex J. Vilardo, HUD, Senior CPD Representative

Entrance Conference:

Date
Representatives

August 26, 2019
Alex J. Vilardo, HUD
Sue Lumadue, City of Buffalo
Sean Tulumello, City of Buffalo
Otis T. Barker, Sr., City of Buffalo
Nicole Drye, City of Buffalo
Mi-Ae Hwang, City of Buffalo
Delano Dowell, City of Buffalo
Kevin Kaufman, City of Buffalo
Francisco Guzman, City of Buffalo
Jennifer Jacobs, City of Buffalo
Rashika Hall, City of Buffalo

Exit Conference:

Date
Representatives

September 6, 2019
Alex J. Vilardo, HUD
Rashika Hall, City of Buffalo
Shan Heben, City of Buffalo
Mi-Ae Hwang, City of Buffalo
Sue Lumadue, City of Buffalo
Sean Tulumello, City of Buffalo
Kevin Kaufman, City of Buffalo
Francisco Guzman, City of Buffalo
Delano Dowell, City of Buffalo

Otis T. Barker, Sr., City of Buffalo
Brenda Durfee, City of Buffalo
Brandon Baxter, City of Buffalo

Contact Information for Further Information and Follow-Up: Alex J. Vilardo, Senior CPD Representative, (716) 551-5755, extension 5831.

SCOPE OF REVIEW

In determining which grantees will be monitored, the Department uses a risk-based approach to rate grantees, programs and functions, including assessing the Department's exposure to fraud, waste and mismanagement. This process not only assists the Department in determining which grantees to monitor, but also identifies which programs and functions will be reviewed. As a result of our analysis of your program(s), the following areas and activities were identified for review:

CDBG - Public Improvements
HOPWA - Evergreen Health Services
Financial Management

SUMMARY OF RESULTS AND CONCLUSIONS

Areas reviewed may result in the identification of findings, concerns or exemplary practices. A finding is identified as a deficiency in program performance based on a statutory, regulatory or program requirement. It is a condition that is not in compliance with a statute, regulation or handbook. A concern is a deficiency in performance that is not based on a regulatory or statutory requirement but is brought to the grantee's attention. If a finding or concern is noted, it will include a recommendation to change or provide further information on current practices. Findings must be responded to within 30 days of this report. Although a grantee is not required to respond to a concern, a response to any actions you are taking would allow us to assist you in order that this concern does not lead to a future finding. An exemplary practice is a noteworthy practice or activity being carried out by the grantee and may possibly be duplicated by another grantee.

This report contains no findings and no concerns. A summary of results are identified below under the area reviewed. The attached Exhibits were used in formulating the basis for this report. You may find this information useful in further developing your program(s).

Your HUD representative is available to discuss results of this monitoring report or provide technical assistance, if requested. If you disagree with any of HUD's determinations or conclusions regarding this monitoring report, please address these issues in writing to this Department within 45 days of this report. Your written communication should explain your reasons why you disagree along with supporting evidence and documentation. All

communication should be forwarded to the Department of Housing and Urban Development, Buffalo Office, Community Planning and Development Division, 465 Main Street, Buffalo, New York 14203.

AREAS REVIEWED

This section of the report will provide a brief summary of the area or program requirements reviewed. Detailed information that results in conclusions, including findings, concerns or exemplary practices can be found in the Exhibit noted and attached.

CDBG - Public Improvements

Reference attached Exhibit 3-1: Guide for Review of CDBG Eligibility

Reference attached Exhibit 3-2: Guide for Review of CDBG National Objective of LMA Benefit

Summary: No findings or concerns were noted.

The City of Buffalo uses CDBG funds for a variety of activities to help community neighborhoods, as described in their Annual Action Plan. Some of those activities include making improvements to streets and sidewalks. These projects are administered by the City through a subrecipient agreement with the Buffalo Urban Renewal Agency.

The scope of the monitoring review focused on ascertaining the City's compliance with the eligibility and national objective requirements of the CDBG program, utilizing the above referenced Exhibit 3-1 and Exhibit 3-2. The following two public improvement projects were randomly selected as the file sample for review during the monitoring:

IDIS activity 9739, Street Improvement – Hamlin Park

IDIS activity 9667, Sidewalk Replacement – Black Rock

As part of the monitoring process, the file records and documentation for these projects were examined and site visits were made to both projects.

The CDBG program requires the City to use CDBG funds only for eligible activities. The City has systems and procedures in place to make sure projects are determined to be eligible prior to funding them. Both projects were determined to be eligible. Therefore, the City is compliant with this requirement of the CDBG program.

The City is also required to meet a national objective, one of which is to benefit 51% or more persons who are low- and moderate-income (LMI). The City's file records contained information showing that LMI persons had benefitted from both public improvement projects.

In summary based on the above, the City has personnel and systems in place for making eligibility determinations that result in eligible activities being funded and properly classified, and the City is documenting and serving low- and moderate-income persons as required. As a result, there are no findings or concerns noted with respect to this area of the monitoring review.

HOPWA - Evergreen Health Services

Reference attached Exhibit 10-1: Guide for Review of HOPWA Housing Planning and Rent Subsidies

Reference attached Exhibit 10-2: Guide for Review of HOPWA Facility-Based Projects
Summary: No findings or concerns were noted.

The City of Buffalo provides housing assistance for person with AIDS through its sponsor agency, Evergreen Health Services. The monitoring review examined the City's compliance with program requirements, utilizing the above referenced Exhibit 10-1 and Exhibit 10-2. The following two activities were randomly selected as the file sample for review during the monitoring:

IDIS activity 9458, Evergreen Health Services – TBRA
IDIS activity 9459, Evergreen Health Services – FBHSA

As part of the monitoring process, the file records and documentation for these projects were examined, interviews were conducted with personnel from the City of Buffalo and Evergreen Health Services, and site visits were made.

Overall, the City and Evergreen Health Services have systems and procedures in place to manage the HOPWA program and are maintaining adequate records to demonstrate compliance with program requirements. The monitoring review confirmed that clients met applicable income guidelines, had appropriate medical documentation, and received the appropriate level of rental assistance. As a result, there are no findings or concerns noted with respect to this area of the monitoring review.

Financial Management

Reference attached Exhibit 34-1: Guide for Review of Financial Management and Audits
Summary: No findings or concerns were noted.

The financial management systems and procedures used by the City were examined during the monitoring review, utilizing the above referenced Exhibit 34-1. As part of this process, the review focused on the City's budget and accounting records, disbursements, internal controls, and audit reports.

The City's Single Audit Report is current for the period ending June 30, 2018. The report contains one (1) Financial Statement Finding and no current year Federal Award Findings. The Financial Statement Finding 2018-001, Solid Waste and Recycling Fund Deficit, does not have a direct impact upon the management of U.S. Department of Housing and Urban Development (HUD) funds. However, it is the City's responsibility to ensure that this finding is corrected according to the auditor's recommendation.

The City's financial management systems provide adequate control and accountability of CDBG and HOPWA funds. The City's accounting methods have been established in accordance with HUD requirements and meet generally accepted practices.

The City's system of internal controls provides adequate separation of duties and responsibilities so that grant funds are properly safeguarded. The City has written policies and procedures in place for setting up activities, reviewing invoices for payment, and approving expenditures.

As a result, there are no findings or concerns noted with respect to this area of the monitoring review.

Attachments:

Exhibit 3-1

Exhibit 3-2

Exhibit 10-1

Exhibit 10-2

Exhibit 34-1