



U. S. Department of Housing and Urban Development

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April 15, 2019

Joe D. Mergo III, County Administrator
Lexington County
212 South Lake Drive, Suite 401
Lexington, South Carolina 29072



Mr. Mergo:

RE: Community Development Block Grant-Disaster Recovery (CDBG-DR) Program
Grant Number: B-16-UH-45-0001
Fiscal Year 2019 Monitoring

This letter confirms the scheduled monitoring review for the above-referenced grant during the period of April 29 – May 3, 2019. The enclosure provides names of the HUD Team that will be conducting the review and the specific areas to be reviewed. The review will begin with an entrance conference on Monday, April 29, 2019 at 9:00 a.m. The purpose of this entrance conference will be to explain how the monitoring will be conducted, confirm key program participant staff that will assist during the monitoring, confirm meeting or interview times, and verify the programs/activities to be reviewed.

A Financial Management review will also be conducted to assess the County's conformity to financial management requirements. HUD will review Lexington County's financial management system for compliance with 24 CFR Part 570, Subpart J, Grant Administration, and 2 CFR Part 200, Subpart E. This will include a limited review of administrative costs, including staff, overhead and travel expenditures.

Please set aside office workspace and have staff and the listing of requested documents found in the enclosure available for HUD staff to conduct the monitoring. There will be an exit conference on Friday, May 3, 2019 at 9:00 a.m. The exit conference will provide an overview and preliminary results of the monitoring session.

We look forward to meeting with you and your staff during this visit. If there are any questions, please contact Steven D. Edwards, at 803-765-5292 or Steven.D.Edwards@hud.gov

Sincerely,

Bradley S. Evatt, Director
Community Planning and Development

Enclosure

SUMMARY OF REVIEW AND REQUESTED INFORMATION

PURPOSE

This will be the second CDBG-DR monitoring review for Lexington County. The purpose is to review the County's supplemental disaster recovery CDBG activities funded under P.L. 114-113 and P.L. 115-31. The scope will include fundability documentation, overall program management, financial management, program progress, and policy controls for fraud, waste and mismanagement. Technical Assistance (TA) will be provided as needed in all areas reviewed and in program specific areas as requested by the County. The goals of this review are to ensure efficacy and efficiency of management of disaster recovery funds by Lexington County, compliance with local policies and procedures, and to ensure adequate documentation of eligibility and national objectives through local file review. The following programs, areas and functions of the CDBG-DR grants will be monitored or provided technical assistance.

B-16-UH-45-0001

- Overall Program Management
 - Grant Management
 - Staff Capacity
 - Progress of Expenditures
- Overall Financial Management
- Lex Co CDBG-DR Housing Buyouts
 - Policies and Procedures
 - Eligibility and National Objective Documentation
 - Contractor Oversight
 - Participant File Review
- Lex Co CDBG-DR Minor Housing Rehab
 - Policies and Procedures
 - Eligibility and National Objective Documentation
 - Contractor Oversight
 - Participant File Review
- TA as needed/requested

MONITORING EXHIBITS TO BE USED

Exhibit 3-17 Guide for Review of Overall Management Systems

Exhibit 6-1 Guide for Review of Overall Management of CDBG Disaster Recovery Grants

Exhibit 6-2 Guide for Review of Flood Zone and Floodway Buyouts and Non-Buyout Acquisitions

Exhibit 6-6 Guide for Review of Housing Rehabilitation and Reconstruction

Exhibit 6-9 Guide for Review of Financial Management

Link to Exhibits:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/handbooks/cpd/6509.2

HUD TEAM AND AREAS OF RESPONSIBILITY

The team will be based in Lexington, SC for the full week. The review will be conducted at the office of Lexington County: 212 South Lake Drive, Suite 401 Lexington, South Carolina 29072 and at any off-site locations as may be identified during the review.

<u>NAME</u>	<u>REVIEW AREA(s)</u>
Adriane Burgess CPD Specialist (202) 763-3295 Adriane.T.Burgess@hud.gov	Lex Co CDBG-DR Minor Housing Rehab
*Steven Edwards CPD Specialist Office: 803-765-5292 (202) 422-0123 Steven.D.Edwards@hud.gov	Overall Program Management
Stephen Kim Financial Analyst (202) 779-0676 Stephen.S.Kim@hud.gov	Overall Financial Management
Sheila Sossamon CPD Representative (803) 253-3056 Sheila.R.Sossamon@hud.gov	Overall Program Management
Thomas Tiffin CPD Specialist (202) 285-0159 Thomas.E.Tiffinjr@hud.gov	Lex Co CDBG-DR Housing Buyouts
*Team Contact	

GRANTEE STAFF NEEDED FOR THE MONITORING REVIEW

Jimmy Ardis, Civitas, LLC (Consultant)
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Michael Calvert, CDBG DR Administrator
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lexcntydr.pp@gmail.com

Keshalontaki "Taki" Wallace, Grants Program Coordinator (Finance)
(803) 785-8121
kwallace@lex-co.com

LISTING OF REQUESTED DOCUMENTS TO BE AVAILABE ON SITE AT TIME OF ARRIVAL

- 1) Current Lexington County Disaster Recovery Staff Organizational Chart and Personnel Roster of Staff Paid with CDBG-DR Funding, to include each Staff's percentage of time spent on Disaster Recovery work.

- 2) Lexington County CDBG-DR Program Management Procedures including:
 - Overall CDBG-DR Program Policies and Procedures
 - Policies/procedures governing the Lex Co CDBG-DR Housing Buyouts Program
 - Policies/procedures governing the Lex Co CDBG-DR Minor Housing Rehab Program
- 3) Listing of CDBG-DR Activities Monitored by Lexington County since grant execution with findings/concerns/and disposition noted and copies of monitoring letters.
- 4) Financial Management: Stephen Kim will provide Lexington County with a listing of needed items by email in advance of the monitoring review.
- 5) All Lex Co CDBG-DR Housing Buyouts Program participant files. Files can be in electronic form or hard copy at the County's option.
- 6) All Lex Co CDBG-DR Minor Housing Rehab Program participant files. Files can be in electronic form or hard copy at the County's option.

WEEK'S AGENDA (Eastern Time Zone)

Sunday, April 28, 2019:

HUD/DRSI Staff travel to Lexington, SC as necessary to arrive in time for Monday entrance conference.

Monday, April 29, 2019:

9:00 a.m. through 4:30 p.m. – Entrance Conference: Introduction of Staff and overall discussion of monitoring goals and objectives. Technical assistance and program monitoring to begin after entrance conference is concluded.

Tuesday, April 30, 2019:

9:00 a.m. through 4:30 p.m. – Continued review of assigned program areas and provisions of technical assistance as requested.

Wednesday, May 1, 2019:

9:00 a.m. through 12:00 p.m. – Site visits as planned by Lexington County.

1:00 p.m. through 4:30 p.m. – Continued review of assigned program areas and provisions of technical assistance as requested.

Thursday, May 2, 2019:

9:00 a.m. through 4:30 p.m. – Continued review of assigned program areas and provisions of technical assistance as requested.

Friday, May 3, 2019:

9:00 a.m. Exit conference with Lexington County staff to review any findings, concerns, issues as applicable.

**As needed, a daily briefing with HUD/DRSI staff and Lexington County staff regarding any identified issues at 4:00 p.m. or a mutually agreed time.*

ACTION PLANS/FEDERAL REGISTER NOTICES

Hurricane Joaquin, Hurricane Patricia, and Other Flood Events Occurring in 2015 CDBG Disaster Recovery Supplemental Appropriations, Federal Register Notices, Waivers, and Alternative Requirements can be found at: <https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notices/>

Action Plan and amendments can be found at Lexington County's website: <https://lex-co.sc.gov/departments/community-development/block-grant-program/disaster-recovery>