

Comprehensive Assessment of Capacity to Administer CDBG-DR Funds



Introduction

The City of Minot, North Dakota, which is the county seat for Ward County, was inundated with flood waters on June 22, 2011. The damage to the City included 4,100 homes flooded with 3,100 lost or extensively damaged. There were 11,000 individuals displaced. Six of Minot's public schools were severely damaged and two completely lost. Twelve of 27 sanitary lift stations were inundated with water. All of the City's water wells were inundated, eight river storm pump stations damaged, 277 street lights damaged, and many other vital components to the City's infrastructure were damaged. This flood has left lasting damage to the City of Minot and its citizens. According to the Corps' assessment, "an estimated \$600 million of property and infrastructure damage" resulted from the flood.

On April 16, 2012 the Department of Housing and Urban Development (HUD) released \$400 million in Community Development Block Grant funds for the purpose of assisting recovery in the most impacted and distressed areas declared a major disaster in 2011 under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The Appropriations Act requires funds to be used only for specific disaster-related purposes.

The City of Minot received a direct allocation of \$67,575,964 of Community Development Block Grant Disaster Recovery (CDBG-DR) funds. As a special contract condition with the City of Minot under P.L. 112-55 for 2011 Disasters, HUD has requested that the City conduct a comprehensive assessment of its capacity to plan for, implement, and manage its long-term recovery efforts.

City of Minot contacts for the Assessment:

Cindy K. Hemphill, Finance Director
PO Box 5006
515 2nd Avenue Southwest
Minot, North Dakota 58702-5006
Telephone: (701) 857-4784
FAX: (701) 857-4782
E-mail: cindy.hemphill@minotnd.org

Randy Irwin, Program Manager
Minot Disaster Recovery Services Office
1600 2nd Avenue Southwest, Suite 27
Minot, North Dakota 58701
Telephone: (701) 837-5813
FAX: (701) 837-9915
E-mail: irwinrl@cdmsmith.com

The Assessment will be approached in the following format:

- Section 1 will assess the City's staffing capacity to manage its internal CDBG-DR grant administration duties and its procured contractor CDM Smith.

- Section 2 will assess CDM Smith's capacity to implement and administer the City's CDBG-DR funded activities.
- Section 3 will assess the City's progress in planning and implementation of its grant requirements and eligible activities in accordance with its approved Action Plan.

Section 1: City Staffing

The City of Minot is governed by a Mayor, fourteen (14) City Aldermen, a City Manager, and several Department Heads including but not limited to Finance Director, Public Works Director, City Attorney, City Engineer, and City Assessor.

The City Finance Director is the primary point of contact for the administration of the CDBG-DR grant. The Finance Director coordinates the City staff that has been tasked with carrying out the City's administrative responsibilities under the approved Action Plan. Below is a list of the staff and their responsibilities pertaining to the use of CDBG-DR funds.

Mayor, Chuck Barney

Mayor Barney was elected to the position of Mayor on June 10, 2014 and took office on June 24, 2014. Mayor Barney has been briefed on the CDBG-DR funds and the action plans approved prior to his taking office. The Mayor position is the signatory for the City and has final approval for its statutory requirements and environmental compliance.

City Aldermen

The fourteen City Aldermen take an active role in holding the necessary public hearings, Action Plan approval, required CDBG-DR policy and certification approvals, and contract approvals.

Acting City Manager, Cindy Hemphill

The former City Manager, David Waind, retired on March 31, 2014. The City has hired a new City Manager, Lee Staab. Mr. Staab will start on September 15, 2014. He will be fully briefed and brought up to date on the CDBG-DR activities as soon as he starts in his new position. Mr. Staab has extensive experience with the federal government when he was an active army officer. In the interim the Finance Director, Cindy Hemphill, is the Acting City Manager. Ms. Hemphill continues to coordinate between the City's Department Heads, City Attorney, Mayor, and Aldermen to ensure that actions required by the Mayor and City Aldermen take place in a timely manner.

City Attorney, Kelly Hendershot and Pat Seaworth

The City Attorney, John Van Grinsven, retired on January 3, 2014. The City is actively recruiting for a replacement. In the interim the City's Assistant City Attorney, Kelly Hendershot, and contracted attorney, Pat Seaworth, review all legal documents for implementation of the CDBG-DR grant for the City of Minot. They attend planning meetings and advise on the City's risks and liabilities under the North Dakota Century Code and local city ordinances.

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Finance Director, Cindy Hemphill

The City Finance Director, Cindy Hemphill, is the primary contact and coordinator between the City's contracted administrator, CDM Smith, and other relevant entities such as HUD, the State of North Dakota, City Department Heads, and local community groups and citizens. The Finance Director oversees her staff to ensure that all funds are tracked and reported to HUD per Federal requirements. The Finance Director also ensures that procurement activities are in compliance with HUD requirements and Council approved policies and procedures.

City Comptroller, Sue Greenheck

The City Comptroller, Sue Greenheck, has the primary responsibility for reconciling expenditure of funds for all CDBG-DR eligible activities and submitting the CDBG-DR funding request to HUD through the DRGR data management system. This includes funds reimbursement requests and Quarterly Performance Reports (QPR).

Accountants

The City of Minot analyzed the position of the Grants and Project Coordinator and made the decision the title was too limiting. The former Grants and Project Coordinator left the City for other opportunities. At that time the Grants and Project Coordinator position was converted to an Accountant position, which is now filled by Melody Shelkey. In addition, the City has added two additional accountants to manage the workload. The grant work is distributed amongst the three accountants. The accountants work is under the supervision of Sue Greenheck. The accountant's duties include the detail reconciliation of all grant projects for the City. They also work under the direction of the Comptroller to insure compliance with OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

Internal Auditor, Karen Pocha-Melby

The City of Minot brought on the Internal Auditor, Karen Pocha-Melby, to perform independent audit functions for the CDBG-DR Program. The internal auditor will audit the disaster funds to ensure that all expenditures are for eligible CDBG Disaster Recovery uses as defined in 24 CFR 570 regulations. Audit results will be reported directly to the City of Minot Mayor.

In addition the City of Minot has created a second internal auditor position. This position was filled by Ashley Freitas January 2014. However, Ms. Freitas resigned June 2014 and the City is currently recruiting for the position.

CDBG-DR Invoice Clerk, Josh Robinson

The City of Minot created the position of CDBG-DR Invoice Clerk to ensure all requests for payment are accurate and correct prior to requesting payment of funds. Mr. Robinson reports directly to the Comptroller, Sue Greenheck. Mr. Robinson's duties include verification of all invoices, creating and submitting for approval all CDBG-DR drawdown requests, working closely with the City's consultant, CDM Smith, reviewing all of CDM Smith's invoices, and coordinating closely with the Finance Director.



Public Works Director, Dan Jonasson

The Public Works Director, Dan Jonasson, heads all public works infrastructure projects for the City of Minot. Under the City's Action Plan, several infrastructure projects were determined necessary for flood recovery. The Public Works Director coordinates with CDM Smith staff on all CDBG-DR funded projects and oversees the publication of Request for Proposals (RFPs) needed to procure contracts for implementation of the Action Plan activities.

Assistant Public Works Director, Jason Sorenson

The Assistant Public Works Director, Jason Sorenson, assists the Public Works Director on all infrastructure projects. Jason will manage the construction of the landfill cell.

City Engineer, Lance Meyer

The City Engineer, Lance Meyer, is responsible for the engineering on all City projects to include the streets, lighting and curb and gutter. He also coordinates closely with the Public Works Director on the water and sewer infrastructure projects.

Building Code Inspector, Mitch Flanagan

The Building Code Inspector, Mitch Flanagan, coordinates and oversees the CDM Smith staff as it relates to code compliance for housing rehabilitation and reconstruction.

City Assessor, Kevin Ternes

The City Assessor, Kevin Ternes, performs the first level appeal process on the voluntary home acquisitions. He also provides the pre-flood assessed value of homes and provides documentation of the adjusted pre-flood assessed value if the original assessed value was below the market value. He coordinates as necessary with CDM Smith consultants in regards to home valuations for the City of Minot.

City Clerk, Lisa Jundt

The City Clerk, Lisa Jundt, ensures all publication dates are adhered to and placed in the newspaper of records.

Section 2: CDM Smith

CDM Smith is a global, full-service consulting, engineering, and disaster services firm with a full array of disaster recovery services. CDM Smith is an employee-owned corporation with \$1 billion in annual revenues and a multi-disciplinary staff of 6,000 in more than 120 offices worldwide. CDM Smith maintains the size, stability, and resources required to successfully undertake a diverse range of projects, such as that required to for the City of Minot's CDBG-DR grant administration and project delivery. CDM Smith has over 50 members in its Disaster Recovery Team with direct CDBG/CDBG-DR funding experience. CDM Smith makes efficient and timely strides to utilize all of its Disaster Recovery Team in support of the City of Minot CDBG-DR program.



CDM Smith has established a Disaster Recovery Services Office within the City of Minot with key staff present on a daily basis to ensure meeting the City's goals and objectives under its Action Plan. Below is a list of the staff and their responsibilities pertaining to the use of CDBG-DR funds.

Project Principal, Steve Wolsfeld, P.E.

The Project Principal, Steve Wolsfeld, has over 20 years experience in the fields of water, wastewater, and water resources engineering. He is responsible for contract signing and overall performance of the CDBG-DR project and team members.

CDBG-DR Program Manager, Randall Irwin

The CDBG-DR Program Manager, Randall Irwin, has 40 years of experience in local, state and federal grants administration. His experience with HUD programs includes CDBG, HOME, UDAG, HOPE VI Mainstreet, and Section 8 Existing Housing Vouchers. Most recently he has been working with the City of Minot's CDBG-DR program since August of 2013. Randy's experience also includes grant administration of EDA and USDA Rural Development federal grants, historic preservation and economic development and housing finance at the state level, as well as Federal Home Loan Bank grants.

The CDBG-DR Program Manager helps provide direction to the City of Minot on all of its HUD requirements and manages the CDM Smith Disaster Services staff. During the past year the Program Manager has assisted with the development of a rental rehabilitation and reconstruction program, a homeowner reimbursement program, and the URA governed acquisition/relocation program. The Program Manager assists with technical support to the City's Finance Director on all proposed Action Plan activities. The Program Manager is also responsible for ensuring the expenditure of funds is tracked and monitored within the data management systems, and ensures that all documents are maintained for HUD monitoring and auditing purposes.

CDBG Policy Expert, Suzie Elkins

The CDBG Policy Expert, Suzie Elkins, has over 30 years working in State government managing Federal and State programs. She has excellent relationships with HUD personnel at the Federal, Regional, and State levels. The CDBG Policy Expert serves to support the City of Minot and the CDBG-DR Program Manager in policy decisions that affect the eligibility and national objectives that must be met for the CDBG-DR programs.

Lead Practitioner, Bruce Conklin

The Lead Practitioner, Bruce Conklin, has 40 years with CDM Smith. As Lead Practitioner for the Minot project he brings his many years of expertise in Federal contracting and will serve in an advisory role for the project team in the City of Minot. He is providing oversight on the Request for Proposal (RFP) process being implemented to procure contractors to carry out the City CDBG-

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DR Housing Rehabilitation and Reconstruction programs. The Lead Practitioner's primary responsibility is to see that the internal quality control is adhered to for all project deliverables.

Financial Manager, Steve Green, CPA

The Financial Manager, Steve Green, has over 30 years experience working in State CDBG programs as Finance Manager and is responsible for establishing and implementing financial processes and controls for the City of Minot's CDBG-DR funded activities. These processes and controls must comply with all Federal, State, and local regulations, supply accurate and current financial data and reporting, and meet program management requirements. He is also responsible for providing financial and other required information as needed for HUD's DRGR system. Additional duties include the establishment and oversight of the anti-fraud, waste, and abuse (AFWA) policies and procedures.

Financial Specialist, Stacie Anderson

The Financial Specialist, Stacie Anderson, has over five years of experience as a financial specialist for the State of Florida's Department of Economic Opportunity CDBG-DR programs. The Financial Specialist works under the supervision of the Finance Manager and is responsible for reviewing and recommending approval of CDBG-DR expenditures. She also is responsible for data entry into the data management systems utilized by both the program and HUD, and for reporting on performance measures and accomplishments through the DRGR System.

Project Controls Coordinator, Sandra Wolfley

The Project Controls Coordinator, Sandra Wolfley has over 20 years of experience in engineering and large scale project management. The Project Controls Coordinator tracks project deliverables and deadlines to ensure responsible staff stay on target with assigned tasks.

Infrastructure Manager, Kevin Ploof

The Infrastructure Manager, Kevin Ploof, has nine years in government service and seven years of management experience. He is responsible for managing the City of Minot's CDBG-DR infrastructure projects to ensure compliance with applicable Federal, State and local requirements. He works directly with the City's Public Works and Engineering Departments. The Infrastructure Manager is responsible for CDBG-DR contract compliance, oversight of Davis-Bacon wage compliance and documentation of all infrastructure projects receiving CDBG-DR funds.

Housing Construction Coordinator, Justin Redding

The Construction Coordinator, Justin Redding, is a recent college graduate with a Bachelor's Degree in Mechanical Engineering. He has experience completing projects on schedule to the client's satisfaction, as well as dealing with homeowners face to face. The Construction

Coordinator oversees the subcontractor performing damage and lead based paint inspections on properties receiving CDBG-DR assistance for rehabilitation and reconstruction. He also oversees the contractors providing the housing rehabilitation or reconstruction and manages the reimbursement process to ensure that building requirements are being met and contractors are paid for their work. He also completes the site verifications for properties receiving CDBG-DR assistance for repairs that were completed by the homeowner.

Housing Rehabilitation and Reconstruction Case Manager, and Acquisition and Relocation Specialist, D'Juana Conner

As the Housing Rehabilitation and Reconstruction Case Manager, D'Juana Conner is responsible for the application intake, verification of eligibility documentation, eligibility determinations for homeowners applying to the City's Housing Rehabilitation and Reconstruction Program. She maintains all applicant files for the program.

As Acquisition and Relocation Specialist, D'Juana Conner, provides the quality control review and approval for all property owners being processes through the City of Minot's Voluntary Acquisition of Flooded Properties program. CDM Smith has contracted with the law firm of Swanson and Warcup to provide the Case Management, purchasing, and closing requirements associated with acquiring these properties for the City of Minot. The Acquisition and Relocation Specialist receives, reviews, and files all property purchases and relocation claims provided by Swanson and Warcup. She manages the overall approval process and submits funds requests to the City on all eligible properties.

Housing Rehabilitation and Reconstruction Quality Control Specialist, Phuoc Lam

The Housing Rehabilitation and Reconstruction Quality Control Specialist, Phuoc Lam, has been responsible for Quality Control on housing rehabilitation and reconstruction files for the past 3 years. He is very detailed oriented and ensures that all Case Manager files are correct in their eligibility determinations and required documentation. Files do not progress through the process without 100% review and approval.

Small Rental Rehabilitation and Reconstruction Case Manager, Marisa Britton

As the Small Rental Rehabilitation and Reconstruction Case Manager, Marisa Britton is responsible for program outreach, application intake, third party document verifications, determination of property and tenant eligibility, verbal and written correspondence with property owners and tenants applying to and participating in the Minot's Small Rental Rehabilitation and Reconstruction Program. She maintains electronic and paper files for each applicant while making sure files move in a timely manner based on program policy.



Demolition and Removal Manager, Wes Hall

The Demolition and Removal Manager, Wes Hall, has worked with CDM Smith for over five years providing disaster recovery assistance with demolition and removal of storm damaged structures (primarily housing). Housing being acquired through the City of Minot's Voluntary Acquisition Program must be demolished and removed for green space of flood controls. The Demolition and Removal Manager is responsible for overseeing the subcontractors procured to perform the demolition and removal tasks and ensuring that all Federal, State, and local regulations are in compliance.

Environmental Review Coordinator, Rebecca Jablon, AICP, LEED AP

The Environmental Review Coordinator, Rebecca Jablon, has been responsible for all levels for Federal environmental review and compliance for over 5 years. She has worked exclusively on environmental review and compliance of CDBG-DR funded projects for more than 3 years. The Environmental Review Coordinator is responsible for managing and completing the appropriate level of HUD environmental review and release of funds for all of the City of Minot's CDBG-DR funded activities.

Data Management and IT Specialist, Jason Sanford

The Data Management and IT Specialist, Jason Sanford, has an extensive background in data management design and implementation. He has spent the last two years with CDM Smith exclusively working on data management solutions for CDBG-DR programs.

Principal Planner, Melissa Ziegler CEcD

The Principal Planner, Melissa Ziegler, has an extensive background in planning and most specifically as it relates to HUD grants. She is heading a team of CDM Smith staff conducting the City of Minot's Affordable Housing Study. The purpose of the study is to develop an Affordable Housing Plan and Action Strategy for the City of Minot.

Disaster Services Office Manager/Receptionist, Krystal Funke

The Disaster Services Office Manager and Receptionist, Krystal Funke, is a local college student with excellent computer skills. She helps to ensure that the City of Minot's Disaster Services Office runs efficiently and effectively by providing file support to the disaster staff and maintains program administrative files for HUD monitoring and audit purposes. She is responsive to all program assistance inquiries, oversees the front desk and reception area; and ensures that requests for applications, appointments, and other assistance is tracked in the Program data base.



CDM Smith Sub-Contractors

IBTS Inc.

IBTS has been assisting in disaster recovery programs since Hurricane Katrina. IBTS has partnered with CDM Smith on most of their disaster recovery housing programs and provides the damage estimates and lead based paint tests for these projects.

Swanson & Warcup, LTD

The law firm of Swanson and Warcup has been providing legal services for disaster recovery projects since 1997 after the flood in Grand Forks, ND. The law firm is meeting with prospective property owners and gathering all required documentation allowing them to participate in the City of Minot's Voluntary Acquisition of Flooded Properties program. Swanson and Warcup are also assisting in the identification and pay-out of relocation claims as required under the Uniform Relocation Act.

O. R. Colan Associates

O.R. Colan Associates have been a subject matter expert for HUD on relocation and the Uniform Relocation Act (URA) for more than a decade. O.R. Colan has contracted with CDM Smith to review and provide guidance on all URA requirements as they pertain to the City of Minot's CDBG-DR program.

Salesforce

Force.com is being used as part of the City of Minot's CDBG-DR program's IT solution. This software allows for: streamline review and other workflows; ability to track progress via dashboards and reports; email notifications to keep program staff, subcontractors and client up to date; structured workflows that clarify responsibility; tracked milestones that outline what stage the grants are and how long each step is taking; and a Cloud model that allows staff and client remote access.

North Dakota Guaranty and Escrow Company

Minot Guaranty and Escrow Company is a local title company that has contracted with CDM Smith to provide escrow services for homeowners required to escrow funds as part of their rehabilitation or reconstruction assistance. They are also providing Owners & Encumbrances reports for rental property owners.

Housing and Development Software, Inc.

Housing and Development Software (HDS) is a software company providing customized financial data management and DRGR reporting for the City of Minot's CDBG-DR program.



Section 3: City of Minot's Progress in Planning and Implementation

Overall Grant Administration

The City of Minot received approval from HUD for its Action Plan for the planning, management, and implementation of its CDBG-DR program in August, 2012. Since the Action Plans original approval, the City has successfully submitted and has received approval on eight amendments and seven Quarterly Performance Reports (QPR) in HUD's DRGR data management system.

The City has developed, approved, and implemented the following policies and procedures:

- Citizens Participation Plan
- Anti-Displacement Plan
- Excessive Force Policy
- Procurement Policy
- Section 3 and Fair Housing Policies and Compliance Officer
- Complaint Policy
- Recapture Policy
- EEO Compliance Policy and Compliance Officer
- Section 504 Grievance Policy and Coordinator
- Communications Policy for Sensory Impaired
- Voluntary Acquisition and Relocation Policies
- Anti-Fraud, Waste, and Abuse Policy and Procedures
- Conflict of Interest Policy and Procedures
- Monitoring Policy and Procedures
- Davis Bacon Policy and Procedures
- Housing Rehabilitation and Reconstruction Policy and Procedures
- Infrastructure Policy and Procedures
- Small Rental Rehabilitation and Reconstruction Policy and Procedures
- Demolition Policy and Procedures

Program Implementation

1) The City has completed environmental reviews and received release of funds for the following activities:

- All housing programs including Acquisition, Relocation, Rehabilitation, and Reconstruction
- Expansion of the landfill
- Infrastructure projects
 - road for the Domestic Violence Center
 - lift stations
 - downtown parking facilities
 - 6th Street SW underpass & storm drain
 - 55th Crossing West Housing

- roadway repairs at 14th & 16th Aves SE, and 46th Street SE
- Northern sanitary sewer
- fire station apparatus
- flood inundation area roads and streets
- Fieldcrest Workforce Housing
- Cook's Court Senior Housing
- Downtown infrastructure improvements

- 2) The City's Voluntary Acquisition Program has acquired 83 flooded properties and expended \$9,518,282.98 in State and CDBG-DR funds.
- 3) The City's Demolition of Flood Properties Program has successfully demolished all 83 acquired properties that will be used for green space and expended \$936,610.32 in CDBG-DR funds.
- 4) The City has successfully completed tenant relocation activities associated with the Voluntary Acquisition Program and expended \$259,390.51 of CDBG-DR funds.
- 5) The City's Housing Rehabilitation and Reconstruction Program has processed 194 applications, of which 38 were determined ineligible as a result of being over the HUD 2013 income limits for low-and-moderate households, the property not being located in the City limits, being a pre-manufactured home, or the property fell within the City's "flood control plan" footprint.. Out of this group, 39 homeowners withdrew from the program largely due to duplication of benefit (DOB) issues (i.e., used their other sources of funding for something other than repairing their damaged home). Of the 194 applications, there are 117 homeowners that met all eligibility and DOB requirements, and all but two of the homeowners have had damage estimates prepared for their homes. Through the damage estimates of the 115 homes, it was determined that 85 homes would be rehabilitated and 30 homes would be reconstructed. The two additional damage estimates have been ordered. So far, 80 homes have been rehabilitated and 20 homes have been reconstructed, for a total of 100 homes completed.
- 6) Four out of six of the infrastructure lift station projects, the Landfill Expansion, and the Domestic Violence Center infrastructure projects have been successfully completed. The other two lift station projects are nearly complete with contractors completing punch list items. The City would like to purchase land for future expansion of the Landfill; however, that is on hold.
- 7) Remaining infrastructure projects are either being prepared for bid or under construction.
- 8) The City has developer agreements with three different housing developers that will include affordable owner-occupied and rental housing units.
- 9) The City has completed an Unmet Needs Assessment and the Affordable Housing Study. The Landfill Master Plan and the update of the City's existing Water Model are currently underway.



- 10) The City has successfully begun its Small Rental Program to provide rehabilitation or reconstruction of small rental units (1-4 units). The program received 23 applications, of which four have been determined ineligible as a result of being either a pre-manufactured home, or the property fell within the City's "flood control plan" footprint, or the rental housing owner was not the owner of record at the time of the flood, or failure to return requested documentation. Also four have withdrawn due to this program not being a good investment for them based on their property being about 95%-100% completed already. Fifteen applications, with a total of 24 units are currently being processed. Fourteen units have been inspected for rehabilitation/reconstruction estimates.
- 11) The City has initiated its Demolition of Unsafe Flooded Properties Program to be reimbursed for homes that were condemned and demolished after the flood because of health and safety threats, with costs paid for by the City. The City wants to reimburse itself for the cost of these demolitions so that the owners of these homes will not be assessed for these costs. These homes were not located in a flood zone and most homeowners did not have flood insurance. In order for the residents of these homes to rebuild, it is critical that the demolition costs not become an additional burden to their already stretched resources.
- 12) Construction is underway on the Imagine Minot downtown parking facilities, and the design is being reviewed prior to advertisement for bids for the downtown sewer and water improvements.