



## U.S. Department of Housing and Urban Development

Office of Community Planning Development  
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### New England

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DEC 5 2013

Mr. James Bennett  
Director  
Economic Development  
City of Providence  
400 Westminster Street  
Providence, RI 02903

Dear Mr. Bennett:

**SUBJECT: Monitoring  
Community Development Block Grant (CDBG) Program PEDP  
Providence, RI**

HUD conducts monitoring reviews to ensure that its programs are carried out efficiently, effectively, and in compliance with applicable laws, regulations, and established policy. Just as importantly, these reviews are intended to assist grantees in improving their performance, developing or increasing capacity, and augmenting their management and technical skills. A monitoring review is not limited to a one-time evaluation but is part of an ongoing process that assesses the quality of a grantee's performance over a period of time and requires effective communication and cooperation between Federal, state, local and nonprofit partners.

On July 3, 2012, our office issued a report on the City's administration and oversight of the Providence Economic Development Partnership (PEDP), a subrecipient funded with Community Development Block Grant (CDBG) funds. In our report, we cited the City for inadequate grantee oversight and contractual control and questioned the use of CDBG funds for loan and program administration activities.

We recently communicated the results of our review and verification of Finding A3. A joint review of program expenses incurred during the period July 1, 2005 through June 30, 2011, identified \$618,145.19 in disallowed costs. To date, the City has allocated unrestricted fee income in the amount of \$89,612.82 leaving an outstanding balance of \$528,532.37. The City has agreed to reimburse the City's letter credit for these expenses making these funds available to commit to new eligible projects.

As a HUD CPD grantee, the City of Providence was considered to be "high risk" with long standing performance deficiencies across all CPD programs. On August 2, 2012, the HUD field

office approved a comprehensive workplan under the ONECPD TA program which provided the city with additional support and resources from HUD's TA provider ICF. ICF has been working closely with City staff over the past year to develop appropriate systems and increase staff capacity to manage all of the OneCPD programs including the City's economic development programs.

City staff has taken many positive steps to bring the administration of the PEDP programs into compliance with regulatory requirements and significant progress has been made. Notable achievements include the following:

The City has initiated significant management and organizational changes within the past year which has resulted in improved internal controls. Both the administration and the staff have expressed a commitment to addressing HUD's findings and concerns and to make substantial improvements to the City's administration of the CPD funding.

The City now executes an annual subrecipient agreement with PEDP. The Subrecipient Agreement is a central part of the subrecipient requirements of the CDBG program for Entitlement Communities. The written Subrecipient Agreement fulfills a legal requirement by presenting a concise statement of the rules of the CDBG program and the conditions under which funds are provided.

The City has drafted a Policies and Procedures manual developing written requirements for its lending standards including prescreening for eligibility, underwriting criteria, financial information and analysis requirements, collateral and loan structure requirements, documentation standards, reporting requirements, internal loan review guidelines, collection procedures, and conflict of interest policies and disclosure requirements.

City staff has established and implemented an effective record keeping system that documents eligibility, national objectives and compliance with the federal requirements. All of the active loan files have been organized and are now consistent with this new requirement.

In addition to our review for eligibility and national objective, we completed a limited review of each active loan to ensure at the time of assistance, there was reasonable expectation that the business would be able to achieve a level of operation that was sustainable and would create the required number of jobs with sufficient cash flow to repay the debt. We also reviewed for to ensure the public benefit standards were met, which require that at least one job be created for \$35,000 of CDBG assistance.

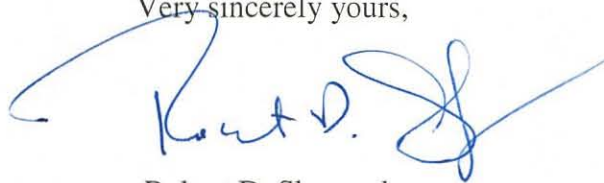
In recognition of the significant progress and the City's commitment to promote transparency and accountability of the City's economic development activities, we have authorized PEDP to invite businesses to apply for CDBG funding and make recommendations to HUD for funding approval. HUD will continue to review each loan for eligibility, compliance with underwriting standards and certification/disclosure and adherence to conflict of interest requirements.

We'd like to thank the City staff that manages the PEDP program for their ongoing assistance with our review. We found staff cooperative and helpful throughout the process. Staff was readily available to answer questions, retrieve files and explain City procedures and forms upon

request. The staff is committed to the City's Economic Development programs and is taking the necessary steps to operate the program in a compliant manner.

If you have any questions regarding this letter, please contact your assigned CPD Representative, Laura Schiffer at (617) 994-8359.

Very sincerely yours,

A handwritten signature in blue ink, appearing to read "Robert D. Shumeyko", with a large, sweeping flourish extending to the left and another to the right.

Robert D. Shumeyko  
Director

Enclosure

Cc: Honorable Angel Taveras

**City of Providence Rhode Island  
HUD Monitoring Follow-up  
Providence Economic Development Partnership  
November 2013**

**A. Administration, Financial Management and Internal Controls**

**Finding:** Inadequate Grantee Oversight and Contractual Controls.

**Required Corrective Action:** The Director, Economic Development shall ensure that the City of Providence enter into a properly executed subrecipient agreement with PEDP for administration of CPD funded economic development programs. At a minimum, agreements or contracts are to include a statement of work, performance standards, records and reports to be provided and other applicable requirements for subrecipients as stipulated in the above referenced regulations. In addition, the City must provide a subrecipient monitoring plan in accordance with federal grant administrative requirements at 24 CFR 85 which specify that the grantee is required to annually monitor subgrantees program for compliance with program requirements. Prior to executing the agreement, a draft copy of the subrecipient agreement shall be submitted to HUD for review and approval.

**HUD Comments and Status:** This finding is closed. The Director, Economic Development provided HUD with a draft copy of the subrecipient agreement between the City and PEDP. The subrecipient agreement was reviewed and was found to be compliant with 24 CFR Part 570.503. A subrecipient agreement between the City and PEDP is now executed annually in accordance with the City's policy and consistent with the City's application to HUD. The City also provided HUD with a monitoring plan for its subrecipients. The plan establishes standards and provides guidance for monitoring the CPD programs. In addition to day to day management of the subrecipients, the plan stipulates that the City will conduct a formal on-site monitoring review of all CDBG and other HUD program construction grants at least once during the life of the project. Areas reviewed for compliance will include adherence to eligibility and national objective requirements, financial management, civil rights, environmental concerns, citizen participation, timeliness, procurement, contract management, labor standards enforcement, acquisition, relocation, job creation, and housing as appropriate.

**Finding:** The City did not have adequate policies and procedures to ensure that the federal requirements for financial management standards were met.

**Required Corrective Action:** The Director, Economic Development shall ensure that accounting policies and procedures are developed and implemented in accordance with 24 CFR Part 85.20 and OMB Circular A-87.

**HUD Comment and Status:** This finding is closed. The City provided HUD with a Financial Management and Accounting Policies and Procedures Manual. The manual includes the organizational chart, job descriptions, significant accounting policies and procedures, internal

control and risk management, procurement requirements, travel procedures, financial reporting, year end procedures, and other standards for financial management.

**Finding:** CDBG Expenditures are questioned for Administrative Expenditures including, but not limited to food transportation, lodging and consultants.

**Required Corrective Action:**

- I. Reclassify the identified costs as administration and planning. These costs are subject to the CDBG planning and administrative cap which is equivalent to 20 percent of the City's entitlement grant plus 20 percent of program income. Costs in excess of the administrative and planning cap shall be reimbursed to the City's letter of credit from non-federal resources.
- II. Provide supporting documentation to this office for each cost identified as question or disallowed.

**HUD Comment and Status:** HUD previously communicated the results of its review of program expenses incurred during the period July 1, 2005 through June 30, 2011 which identified \$618,145.19 in disallowed costs. The City has allocated unrestricted fee income leaving a balance of \$528,532.37. The City has agreed to repay these funds in three installments commencing July 1, 2014. This finding will remain open until the City completes the agreed upon repayment schedule. Estimated closing is July 1, 2016.

**B. Eligibility and National Objectives**

**Finding:** Eligibility and National Objective Compliance was not Adequately Documented.

**The Director of Economic Development shall:**

**Required Corrective Action 1:** Prior to underwriting, ensure that PEDP staff conduct a pre-application review for eligibility, national objective, and cost reasonableness. The results of this review including supporting documentation shall be maintained in each loan file and reviewed and approved by City staff prior to loan commitment. Documentation requirements for economic development activities are provided in attachment A.

**HUD Comments and Status:** This finding is closed. Corrective Action has been implemented. Preapplication screening and documentation requirements as well as clearly defined approval authority have been incorporated in to PEDP's policies and procedures manual. The results of this review are documented in the loan file.

**Required Corrective Action 2:** Develop and implement a standardized loan file checklist for each loan file. This checklist shall include the documentation from the pre-application review. In addition to implementing this procedure going forward, the City shall review all active loan files to ensure that the proper documentation is included in each loan file. The City shall submit a copy of the completed file checklist for each loan file to HUD for review and approval.

**HUD Comments and Status:** The finding is closed. The City has developed a standardized loan file checklist and has updated each active loan file to ensure that the proper documentation is included. The city provided a completed checklist and access to each loan file for HUD's review. The use of the checklist list is mandatory for each new loan as required by the City's policies and procedures.

**Required Corrective Action 3:** Perform a detailed review and reconciliation of PEDP's loan accounting system to IDIS. The City shall make a determination as to whether each loan has complied or will comply with national objective requirements and provide the results of its review to HUD. The city shall ensure that IDIS is updated to reflect the actual loan activity for program years 2002-2011. For each loan the City shall report whether the business achieved any accomplishments (jobs), even if less than expected, whether the City obtained documentation of accomplishments from the business, and if so, whether the activity created or retained jobs at least 51% of which were held by or made available to low or moderate income persons.

If the City cannot demonstrate that at least 51% of the jobs are held by or made available to low or moderating income persons, the City shall provide documentation that demonstrates that the activity has met another national objective (LMA or SBA).

If the City is able to demonstrate that the activity is eligible and met one of the national objectives, the City shall enter all required national objective, accomplishment and beneficiary information in IDIS and complete the activity.

Loans that are not eligible or do not meet a national objective, shall be reported to HUD.

**HUD Comments and Status:** This finding remains open. The City completed a detailed review of most of the active loans and provided file documentation to HUD which formed the basis for establishing eligibility, national objective and public benefit. Per HUD's request, the City concentrated its staffing resources on reconciling IDIS to the general ledger for the CDBG program, fiscal years 2010-2013. Now that the City has completed the first phase of the reconciliation, staff must begin the process of reconciling PEDP's loan accounting system and IDIS. This reconciliation remains ongoing and is expected to be completed by 01/31/14.

### **Summary of Loan Portfolio Review**

The attached spreadsheet provides a summary of the business loans reviewed, the loan amount, the loan balance, the national objective, payment status and the required action.

Many of the eligible businesses assisted, have not yet created the number of jobs necessary to meet the minimum level of public benefit. Based on correspondence with the businesses, the City indicated there is a high likelihood that job documentation can be obtained and/or additional jobs will be created. The City shall continue to monitor these businesses closely and provide HUD with quarterly updates in IDIS.

Several of the eligible businesses did not meet the national objective for job creation but may be able to demonstrate that a low mod benefit was achieved: area benefit, for businesses providing goods and services to a low mod primarily residential area; housing, if the City can demonstrate that 51% of the units are occupied by households at or below 80% of the area median income; historic preservation and activities designed to aid in the prevention or elimination of slum or blight. Where noted in the attached, the City shall provide HUD with the necessary documentation to establish the national objective.

The use of CDBG funds used to assist Creative Product Works and Dave's Catering did not meet a national objective. However, file documentation indicated, at the time of assistance, there was reasonable expectation the businesses would be able to achieve a level of operation that was sustainable and would be able to create the required number of jobs with sufficient cash flow to repay the debt.

The use of CDBG funds used to provide working capital to two non-profits: Perishable Theater (\$70,000) and Black Repertory/Bali (\$422,000) was not eligible. Funds for the Black Repertory/Bali loan were recently recovered from the sale of the property. HUD confirmed that the proceeds were deposited back into the PEDP revolving loan fund and are now available to assist new businesses. For the Perishable Theater loan, the City has agreed to reimburse the revolving loan fund with non-federal funds as part of an agreed upon three year repayment plan.

The use of CDBG funds used to pay fees to preserve historic tax credits for Heritage Harbor (\$313,000) and Olneyville Housing (\$800,000) was not eligible. The City must recover these funds from the borrowers or use non-federal funds to reimburse the revolving loan fund by June 30, 2014.

The use of CDBG funds to pay for activities funded under the IPIC program was ineligible. The City shall reimburse its letter of credit out of non-federal funds in the amount of \$154,180.00 by June 30, 2014.

As part of the reconciliation process of the loan accounting system to IDIS, businesses assisted that were eligible, met a national objective and provided a minimum level of public benefit shall be set up and completed in IDIS. Businesses in this category which are also in default shall be managed in accordance with the City's Delinquency Monitoring and Write-off Policies.

For businesses that were assisted that did not produce the required number of jobs but, at the time of assistance, there was a reasonable expectation that the jobs would be created or retained, the City shall ensure that the activity is set up and cancelled in IDIS. Businesses in this category which are also in default shall be managed in accordance with the City's Delinquency Monitoring and Write-off Policies.

For all other loans, the City shall ensure that each business is setup in IDIS. HUD expects the City to provide quarterly updates on job creation until completion. For

activities providing a benefit other than job creation, the City shall report all required census and low mod benefit data and accomplishment narratives in IDIS.

**Required Corrective Action 4:** Develop procedures to ensure that no CDBG funds are expended from the commercial revolving loan account prior to recording the expense in IDIS. To ensure that expenditures are properly recorded in IDIS, HUD will continue to review all PEDP invoices to ensure the expenditures are authorized and created in IDIS prior to payment.

**HUD Comments and Status:** This finding is closed. The City has developed procedures to ensure that no CDBG funds are expended prior to recording the expense in IDIS. In addition, the City is now reconciling IDIS to the loan accounting system and the General ledger on a monthly basis. HUD will continue to review all PEDP invoices prior to payment to ensure that the payments are properly authorized and recorded in the IDIS.

**Required Corrective Action 5:** Develop and implement standardized written agreements that comply with the documentation requirements noted above and found in 24 CFR Part 570.506 and implement a quarterly reporting requirement with the businesses assisted to ensure that the required job data is provided for in a timely manner. The quarterly reports shall contain, the data standards required by HUD in IDIS.

**HUD Comments and Status:** This finding is closed. The City has reviewed the note between PEDP and the business to conform to the documentation requirements consistent with 24 CFR Part 570.506. The jobs to be created are now incorporated into the note as well as the need for quarterly reporting by the businesses.

**Required Corrective Action 6:** Ensure that IDIS and the Loan accounting system are reconciled on a monthly basis.

**HUD Comments and Status:** This finding is closed. The City has developed procedures to ensure that no CDBG funds are expended prior to recording the expense in IDIS. In addition, the City is now reconciling IDIS to the loan accounting system and the General ledger on a monthly basis. HUD will continue to review all PEDP invoices prior to payment.

### **C. Transparency and Disclosure of Economic Development Activity**

**Finding: Consolidated Planning Requirements were not met. Transparency and Disclosure of Economic Development Activity to citizens was not adequate.**

The Director of Economic Development shall:

**Required Corrective Action 1:** Ensure that each action plan submitted to HUD meets the disclosure standards described in Part 91. All resources available or are expected to be made available and the planned use of these resources by eligible activity must be identified in the plan.

**HUD Comments and Status:** This finding is closed. All resources available or expected to be made available for economic development purposes were communicated through the City's



action plan. In 2012, the City prepared an amendment to the action plan. In 2013, the programs and budget were identified in the City's original submission.

**Required Corrective Action 2:** Ensure that the CAPER includes a detailed report on the activities and beneficiaries carried out and or served by the City and PEDP.

**HUD Comments and Status:** This finding remains open. The city has not submitted all of the required elements of the 2012 or the 2013 CAPER. Estimated completion is 1/31/14.

**Required Corrective Action 3:** Develop and implement a Citizen's participation plan in accordance with 24 CFR Part 91.

**HUD Comments and Status:** This finding remains open. The City has developed a citizen's participation plan but has not formally adopted the plan through a public hearing process as required. The City has scheduled a hearing to communicate and adopt the plan in January 2014.

The plan provides for, and encourages, citizen participation by persons of low- or moderate-income, particularly residents of predominantly low- and moderate-income neighborhoods, slum or blighted areas, and areas in which the grantee proposes to use CDBG funds. The plan must:

- provide citizens with reasonable and timely access to local meetings, information, and records related to the grantee's proposed and actual use of funds;
- provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities, and review of program performance;
- provide for timely written answers to written complaints and grievances;

#### **D. Underwriting Guidelines, Policies and Procedures**

**Finding: Written Underwriting Guidelines, Policies and Procedures for Loan Modifications and Write-offs were not adequate.**

The Director of Economic Development shall:

**Required Corrective Action 1:** The Director of Economic Development shall adopt the underwriting standards found at 24 CFR Part 570.209(a) or develop comparable written guidelines for the underwriting of PEDP loans. The written standard shall be provided to HUD for review and approval.

**HUD Comments and Status:** This finding is closed. Underwriting standards have been developed and are part of the City's approved policies and procedures.

**Required Corrective Acton 2:** Develop written policies for handling delinquent loans including standards for loan modifications and write offs. The policies shall be consistently applied to all businesses.

**HUD Comments and Status:** This finding is closed. The City has provided HUD with PEDP draft delinquency monitoring and write-off policies. The procedures describe collection practices, loan modifications, and loan write offs. Incorporated into the policy is HUD Notice 4330.1 Rev 5, Chapter 7, Delinquencies/defaults and mortgage collection activities and Corporate Debt Collection Procedures: A Step by Step Guide.

PEDP Active Loan Portfolio Review						
Contact Name	Loan Amount	Loan Balance	Eligible	National Objective	Payment Status	Comments/Required Action/Setup in IDIS
BLACK REPERATORY/BALI HOLDING INC.	\$422,000	\$0	No	n/a	n/a	Recently acquired from Bali Holdings LLC. Reimburse letter of credit
ADA'S CREATIONS	\$482,320.00	\$ 195,160.27	203(b)	underway	121+	Provide evidence of Low Mod Service Area
Community Works BROAD STREET REVITALIZATION -RES	\$742,563.00	\$742,563.00	703(h)	underway	121+	Provide tenant info, benefit, final inspection.
Community Works BROAD STREET REVITALIZATION - Comm	\$76,953.00	\$76,953.00	203(a)	underway	121+	Provide Listing of Bus asst.,service area doc.
EAGLE SQUARE COMMONS	\$500,660.00	\$ 331,394.65	203(b)	underway	121+	Provide Listing of Bus asst.,service area doc.
EVERYMAN RI BISTRO	\$125,000.00	\$ 81,243.99	203(b)	Yes	121+	Close in IDIS
ITALIAN OVEN	\$40,000.00	\$ 40,273.96	203(a)	Yes	121+	Close in IDIS
NARRAGANSETT CREAMERY	\$250,000.00	\$ 250,000.00	203(b)	underway	121+	Provide job documentation
CONCEPT LINK	\$50,660.00	\$ 8,810.13	203(b)	Yes	121+	Close In Idis
CREATIVE PRODUCT WORKS	\$150,000.00	\$ 150,931.81	203(b)	No	121+	Cancel in IDIS-reasonable expectation jobs to be created
CUBAN REVOLUTION	\$150,000.00	\$ 84,670.92	203(b)	Yes	121+	Close In Idis
DAVE'S CATERING	\$125,660.00	\$ 59,359.04	203(b)	No	121+	Cancel in IDIS-reasonable expectation jobs to be created
FATTY MCGEE'S	\$70,000.00	\$ 72,322.39	201(o)	Yes	121+	Close in Idis
HI-HAT	\$250,000.00	\$ 247,114.16	203(b)	Yes	121+	Close in Idis
MI SUENO (#1)	\$100,000.00	\$ 79,707.80	203(b)	Yes	121+	Close in Idis
MI SUENO (#2)	\$160,000.00	\$ 127,202.20	203(b)	Yes	121+	Close in Idis
NAGA FOOD PRODUCTS	\$50,000.00	\$ 49,168.89	203(b)	underway	121+	Provide Job documentation
PALMIERI'S BAKERY	\$70,000.00	\$ 69,007.98	203(b)	Yes	121+	Close in Idis
PERISHABLE THEATRE	\$70,000.00	\$ 61,596.91	No	n/a	121+	Ineligible-reimburse Letter of credit
SCOREBOARD RESTAURANT	\$40,000.00	\$ 29,200.37	203(b)	Yes	121+	Close in Idis
TOBEY WASTE & RECYCLING	\$342,000.00	\$ 338,200.00	203(b)	underway	121+	See Cleanscape; assumption provide job documentation
TOUCH OF CLASS WHEELS, LTD	\$100,000.00	\$ 99,997.35	203(b)	No	121+	Provide job documentation
TRINITY MORTGAGE SOLUTIONS	\$86,000.00	\$ 75,886.30	203(b)	Yes	121+	Close in Idis
WALDRON BROAD STREET RESTAURANT	\$70,660.00	\$ 10,995.95	203(b)	Yes	121+	Collect/Collateral
FETE	\$365,000.00	\$ 311,026.97	203(b)	underway	90	Provide job documentation
SALON BIANCO	\$60,000.00	\$ 32,797.34	203(b)	Yes	60	Close in IDIS
CLEANSCAPE (#2)	\$410,000.00	\$ 58,131.20	203(b)	No	90	receivership ref: Toby-balance guaranteed by urban league
CONRAD	\$600,000.00	\$ 438,727.96	203(b)	completed	60	Slum blight renewal area
DOLPHIN MEASUREMENT SYSTEMS	\$250,000.00	\$ 206,740.43	203(b)	underway	30	Provide job documentation
DORRANCE, THE	\$70,000.00	\$ 57,849.44	203(b)	underway	30	Provide job documentation
DR. KARAMBELAS & ASSOC.	\$75,000.00	\$ 71,727.02	203(b)	underway	30	Provide job documentation
MEXICO RESTAURANT GARIBALDI	\$70,000.00	\$ 66,010.50	203(b)	underway	30	Provide job documentation
ROGER WILLIAMS DAYCARE	\$100,000.00	\$ 42,188.63	203(b)	underway	30	Provide job documentation
STITCHES	\$313,270.31	\$ 84,327.83	203(b)	LMI	30	Close in Idis
VILLA DOLCE VITA	\$300,000.00	\$ 166,072.29	203(b)	underway	90	Provide job documentation
ANDREA VALENTINI	\$70,000.00	\$ 64,750.03	203(b)	underway	CURR	Provide job documentation
HERITAGE HARBOR CORP -HTC DYNAMO HOUSE	\$313,000.00	\$ 312,729.00	202(11)(d)	underway	CURR	City to reimburse revolving loan fund 6/30/14
MERCANTILE BLOCK LIMITED -RES AS220	\$817,500.00	\$ 784,422.21	202	underway	CURR	Provide tenant info, benefit, final inspection.
MERCANTILE BLOCK LIMITED -Comm AS220	\$817,500.00	\$ 784,422.21	203(a)	underway	CURR	Provide Listing of Bus asst.,service area doc.
OLNEYVILLE HOUSING CORP (#2) -HTC Paragon Mills	\$800,000.00	\$ 800,000.00	202(11)(d)	underway	CURR	City to reimburse revolving loan fund 6/30/14
OLNEYVILLE HOUSING CORP (#3) PARAGON MILLS	\$931,000.00	\$ 931,000.00	203(a)	underway	CURR	City to present timeline for this activity
WESTFIELD COMMONS-Commercial	\$112,500.00	\$ 236,592.65	203(a)	underway	CURR	Provide allocation and job documentation
WESTFIELD COMMONS-Housing				underway	CURR	Provide allocation and tenant info, benefit and final inspection.
121 WASHINGTON - Residential AS220 Dreyfus	\$585,000.00	\$ 489,389.66	201(a)/202	underway	CURR	Provide tenant info, benefit, final inspection
121 WASHINGTON - Commercial AS220 Dreyfus	\$195,000.00	\$ 163,129.89	203(b)	underway	CURR	Provide job documentation
ALLEY CAT	\$70,000.00	\$ 57,800.05	203(b)	LMI	CURR	Close in IDIS

ARMORY REVIVAL CO Pearl Street Apartments	\$78,058.36	\$ 6,764.68	202	underway	CURR	Provide tenant info, benefit, final inspection
BANNISTER HOUSE	\$650,000.00	\$ 596,586.51	203(a) fac	LMJ/Ret	CURR	Close in IDIS
BIG FISH	\$53,660.00	\$ 1,967.32	203(b)	LMJ	CURR	Close in Idis
EPIVAX	\$60,000.00	\$ 24,571.61	203(b)	LMJ	CURR	Provide Job documentation
EXNIHLO	\$80,000.00	\$ 60,211.45	203(b)	LMJ	CURR	Close in Idis
FRANKLIN ROGERS	\$90,000.00	\$ 7,431.26	203(b)	LMJ	CURR	Close in Idis
IP21	\$40,000.00	\$ 31,341.17	203(b)	LMJ	CURR	Close in Idis
ITALIAN WORLD BOUTIQUE	\$30,000.00	\$ 18,431.86	203(b)	underway	CURR	Provide Job documentation
JULIAN'S OMNIBUS	\$100,000.00	\$ 87,998.39	203(b)	LMJ	CURR	Close in Idis
LATINO CONSULTING, INC	\$300,000.00	\$ 251,007.78	203(b)	underway	CURR	Provide Job documentation
LOS ANDES	\$300,000.00	\$ 289,951.84	203(b)	underway	CURR	Provide Job documentation
MILLS RESTAURANT, INC.	\$535,145.52	\$ 449,848.89	203(b)	LMJ	CURR	Close in Idis
MURPHY'S	\$60,000.00	\$ 8,213.61	203(b)	LMJ	CURR	Close in Idis
OLNEYVILLE HOUSING CORP (#1)	\$217,000.00	\$ 167,249.11	203(a)	underway	CURR	Provide Job documentation
PIONEER SHOPPE	\$30,000.00	\$ 23,069.66	203(b)	underway	CURR	Provide Job documentation
PISATURO REAL ESTATE	\$40,000.00	\$ 30,731.92	203(b)	LMJ	CURR	Close in Idis
PO GALLERY	\$30,330.00	\$ 11,595.00	203(b)	LMJ	CURR	Close in Idis
PROOFED	\$10,000.00	\$ 6,413.78	201(o)	underway	CURR	Provide Job documentation
PROVIDENCE CENTER	\$31,536.14	\$ 15,526.08	203(B)	LMJ	CURR	Assumption of A New Leaf-Close out in IDIS
PROVIDENCE COOKIE SALAD BAR	\$15,000.00	\$ 13,633.79	201(o)	underway	CURR	Provide Job documentation
REFOCUS	\$125,000.00	\$ 106,350.91	203(a)	underway	CURR	Provide Job documentation
RHODE ISLAND MONTHLY	\$55,000.00	\$ 24,240.21	203(b)	underway	CURR	Provide Job documentation
RISING SUN MILLS	\$620,000.00	\$ 573,786.07	203(b)	underway	CURR	Provide Job documentation
ROSARIO SOCIETY	\$86,850.00	\$ 5,631.79	202(d)	underway	CURR	Provide evidence of Low Mod Service Area
TI ADORO	\$50,000.00	\$ 4,100.00	203(b)	underway	CURR	Provide job documentation
TRINITY REPERTORY COMPANY	\$677,750.00	\$ 319,076.64	202(d)	underway	CURR	Historic preservation activity
IPIC PROVIDENCE FAB LAB AS220	10,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC BETASPRING	10,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC RICIE	5,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC RIINBDP	15,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC GREEN COLLAR WORKFORCE	10,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC PROVIDENCE FOUNDATION DESIGN ACCELERATOR	15,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC APERION INSTITUTE	15,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC SOCIAL VENTURE PARTNERS	15,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC BROWN UNIVERSITY	5,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC DIAVIBE	20,000.00	n/a	No	No	n/a	Funds to be repaid
IPIC RHODE ISLAND HOSPITAL	23,580.00	n/a	No	No	n/a	Funds to be repaid
IPIC EULIE	5,600.00	n/a	No	No	n/a	Funds to be repaid
IPIC DOWN CITY PICTURES FOOD 101	5,000.00	n/a	No	No	n/a	Funds to be repaid
Total	\$16,368,756	\$12,577,328				

## Attachment A

### Documentation Requirements

**Records to be maintained for benefit based on job creation:** Where the grantee chooses to document that at least *51 percent of the jobs will be available to* low- and moderate-income persons, documentation for each assisted business shall include:

- A copy of a written agreement, containing:
  - A commitment by the business that it will make at least 51 percent of the FTE jobs available to low- and moderate-income persons and will provide training for any of those jobs requiring special skills or education;
  - A listing by job title of the permanent jobs to be created, indicating which jobs will be available to low- and moderate-income persons, which jobs require special skills or education, and which jobs are part-time; and,
  - A description of the actions to be taken by the grantee and business to ensure that low- and moderate-income persons receive *first consideration* for these jobs; and
- A listing by job title of the permanent jobs filled, and which jobs were available to low- and moderate-income persons, as well as a description of how first consideration was given to any such persons for these jobs. The description shall include what type of hiring process was used; the names of the low- and moderate-income persons interviewed for each such job; and those hired.

**or**

Where the grantee chooses to document that at least *51 percent of the jobs will be held by* low- and moderate-income persons, documentation for each assisted business shall include:

- A copy of a written agreement, containing:
  - A commitment by the business that at least 51 percent of the jobs created, on a full-time equivalent basis, will be held by low- and moderate-income persons; and,
  - A listing by job title of the permanent jobs to be created (identifying which are part-time, if any).
- A listing by job title of the permanent jobs filled and which jobs were *initially taken* by low- and moderate-income persons; and

- □ For each low- and moderate-income person hired, information on the size and annual income of the person's family prior to the time the person was hired for the job, or evidence that the person may be presumed to be low or moderate income based on the location of the business or the person's residence [see §570.208(a)(4)(iv)].

**For benefit based on job retention, the following documentation must be kept:**

- Evidence that in the absence of CDBG assistance, the jobs would be lost; and,
- For each business assisted, a listing by job title of permanent jobs retained, indicating which of those jobs are part-time and (where it is known) which are held by low- and moderate-income persons at the time the assistance is provided; and,
- Where applicable, identification of any of the retained jobs (other than those known to be held by low- and moderate-income persons) that are projected to become available to low- and moderate-income persons through job turnover within two years of the time CDBG assistance is provided, and information on how the turnover projections were calculated; and,
- For each retained job claimed to be held by a low- and moderate-income person, information on the size and annual income of the person's family, or evidence that the person may be presumed to be low or moderate income based on the location of the business or the person's residence [see §570.208(a)(4)(iv)]; and,
- For jobs claimed to be available to low- and moderate-income persons based on job turnover: a description covering the items required for "available to" jobs identified above; a listing of each job that has turned over to date, indicating which of those jobs were either taken by, or made available to low- and moderate-income persons; and a description of how "first consideration" was given to low- and moderate-income persons for those jobs.

**Activities that aid in the prevention or elimination of slums or blight**

**a) Activities to address slums or blight on an area basis**

An activity that aids in the prevention or elimination of slums or blight in a designated area. Examples include: assistance to commercial or industrial businesses, public facilities or improvements, and code enforcement **in a blighted neighborhood**. The activity must meet *all* of the following qualifying criteria:

- (1) The area, delineated by the grantee, must meet a definition of a slum, blighted, deteriorated or deteriorating area under state or local law;

- (2) There must be a substantial number of deteriorated or deteriorating buildings throughout the area, or the public improvements are in a general state of deterioration;
- (3) The activity must address one or more of the conditions that contributed to the deterioration of the area; and

#### Appendix

- (4) If rehabilitation of residential buildings not occupied by low- and moderate-income households is undertaken, each such building rehabilitated must be considered substandard under local definition before rehabilitation, and *all deficiencies making a building substandard must be corrected before less critical work on the building may be undertaken.*

#### **Records to be maintained:**

- Boundaries of the area.
- A description of the conditions that qualified the area at the time of its designation in sufficient detail to demonstrate how the area met the qualifying criteria.
- For each residential rehabilitation activity:
  - A local definition of 'substandard' that must be at least as stringent as the housing quality standards used in the Section 8 Housing Assistance Payment Program - Existing Housing; and
  - A pre-rehabilitation inspection report describing the deficiencies in each structure to be rehabilitated; and
  - Details and scope of CDBG-assisted rehabilitation, by structure

b) **Activities to address slums or blight on a spot basis** An activity that aids in the prevention or elimination of slums or blight *outside of a slum or blighted area*. Examples include: elimination of faulty wiring, falling plaster, or other similar conditions that are detrimental to all potential occupants; historic preservation of a deteriorated public facility; and demolition of a vacant, deteriorated, abandoned building. The activity must meet the following qualifying criteria:

- (1) The activity must be designed to eliminate *specific conditions of blight or physical decay* on a spot basis; and
- (2) The activity must be limited to *acquisition, clearance, relocation, historic preservation, and/or rehabilitation of buildings*. Rehabilitation is limited to the extent necessary to eliminate specific conditions *detrimental to public health and safety*.

**Records to be maintained:**

- A description of the specific condition of blight or physical decay treated;
- For rehabilitation carried out under this category, a description of the structure, including:
  - The specific
  - Details and scope of the CDBG-assisted rehabilitation.

c) **Activities to address slums or blight in an urban renewal area** An activity that aids in the elimination or prevention of slums or blight in an urban renewal area. The activity must meet the following qualifying criteria:

- (1) The activity must be located within a Federally designated *urban renewal project area or Neighborhood Development Program (NDP) action area*; and,
- (2) The activity must be *necessary to complete the urban renewal plan*, then in effect, including *initial* land redevelopment permitted by the plan.

**Records to be maintained:**

- A copy of the Urban Renewal Plan, in effect at the time the CDBG activity is carried out, including maps and supporting documentation.

a) **Area benefit activities**

An activity, the benefits of which are available to *all* the residents in a particular area, where at least 51 percent of the residents are low- and moderate-income persons. The service area must be primarily residential, and the activity must meet the identified needs of low- and moderate-income persons. Examples include: street improvements, water and sewer lines, neighborhood facilities, and facade improvements in neighborhood commercial districts. Such an activity must meet one of the following qualifying criteria:

- (1) Fifty-one percent of the persons residing in the service area are low and moderate income, supported by the most recently available decennial census information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau. (HUD provides grantees with information by census tract and block group that may be used to determine this percentage); or
- (2) Fifty-one percent of the persons residing in the service area are low- and moderate-income residents supported by a current survey of the residents of the service area *if* the recipient believes that the census data do not reflect current relative income levels in an area, *or* where census boundaries do not coincide sufficiently well with the service area of an activity. The survey results must meet statistical reliability standards and be approved by HUD