



U.S. Department of Housing and Urban Development

Atlanta Region, Miami Field Office
Brickell Plaza Federal Building
909 SE First Avenue, Rm. 500
Miami, FL 33131-3042

January 19, 2016

Mr. Howard Kunik, City Manager
City of Punta Gorda
326 West Marion Ave.
Punta Gorda, FL. 33950

Subject: Annual Community Assessment
Consolidated Annual Performance and Evaluation Report (CAPER)
2014 Program Year –
CDBG Program
City of Punta Gorda

Dear Mr. Kunik,

The Housing and Community Development Act of 1974, as amended and the National Affordable Housing Act of 1990, require that a determination be made annually by HUD that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

In accordance with the Consolidated Planning Regulations of January 5, 1995, this Office makes a comprehensive performance review of your overall progress annually, as required by §24 CFR 91.525. The review consists of analyzing your consolidated planning process; reviewing management of funds; determining the progress made in carrying out your Consolidated Plan policies and programs; determining the compliance of funded activities with statutory and regulatory requirements; determining the accuracy of required performance reports; and evaluating your accomplishments in meeting key departmental objectives.

We congratulate you on your accomplishments during this past year in the achievement of departmental objectives.

SUMMARY OF PERFORMANCE

Community Development Block Grant (CDBG)

The City received \$75,011.00 in FY 2014 CDBG grant funds and is commended on its performance in expending \$86,245.21 of which 100% was spent on activities benefiting low or moderate-income persons. This performance exceeds departmental standards.

HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination

The Financial summary indicated \$6,218.99 in net expenditures for planning and administrative costs, or 8.29% of the grant funds plus program income received during the program year. The Financial Summary also showed \$5,666.68 in net expenditures for public services, or 7.55% of the grant. Our review of the activities indicates that they appear to be eligible as provided for at §24 CFR Part 570.201-6, and meet one of the three National Objectives established at §24CFR 570.208.

We are pleased to report that the *City* is in compliance with departmental progress standards in the expenditure of its CDBG Line-of-Credit (LOC) balances. The *City* is required to have no more than 1.5 years of funding available in its LOCC's at the end of the tenth month of its program year. The *City's* LOCC's balance as of August 2, 2015 was \$73,140.12 which represents 0.98 years of funding.

As a reminder, according to the National Defense Authorization Act of 1991 (P.L.101-510), CDBG grantees have a total of eight years to obligate and expend CDBG funds, counting the three-year obligation period and the additional five years for expenditure. For example, CDBG funds appropriated by Congress in FY 2002 must be obligated (put under funding contract to the grantee) by September 30, 2004 (three years). They must be disbursed by the grantee by September 30, 2009 (FY 2004 + 5 years). If the FY 2008 grant funds are not drawn down from the Line of Credit Control System (LOCCS) by the end of FY 2015, they will be recaptured by HUD and returned to the U.S. Treasury. Also be aware that if a grantee returns funds to an expired grant, the funds are returned to the Treasury and are no longer available in the grantee's LOC. This means grantees lose these funds permanently. Therefore, grantees who need to return funds to their LOC and credit those funds to an expired grant should contact the Miami Field Office for instructions.

Performance Measurement

In September 2004, CPD Notice 03-09 was sent to all grantees in reference to Local Performance Measurement Systems for CPD Formula Grant Programs. In this notice it strongly recommends the use of a performance measurement system in order to account for productivity and program impact. Productivity displays the quantity, quality, and time a grantee undertakes activities. Program impact reflects how activities yield desired outcomes within the community and the persons assisted. The Field office reiterated the importance of determining whether the City is currently using a performance measurement system, developing a system, or has not yet developed a system.

Beginning October 1, 2006, each Consolidated Annual Performance and Evaluation Report (CAPER) or Performance and Evaluation Report (PER) should include the status of the grantee's efforts toward implementing a performance measurement system as described in the Federal Register Notice dated March 7, 2006. All CAPER or PER reports should provide a description of how the jurisdiction's program provided new or improved availability/accessibility, affordability, sustainability of decent housing, a suitable living environment, and economic opportunity.

The CAPER/PER must include a comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. A review of the IDIS CDBG Performance Measures Report (PR83) and the Housing Performance Report (PR85) disclosed that the City is inputting data for its activities.

Concerns

There are some performance issues that require action for resolution as a result of our review of your Consolidated Annual Performance and Evaluation Report (CAPER) for FY 2014:

(1) Financial Summary

The IDIS CDBG Financial Summary Report for FY 2014 (Part 1 Line item 01) shows zero "0" for the "unexpended" CDBG funds at the end of the 2013 program year. However, our records indicate that the City had an unexpended balance of \$4,262.28 as of the date of the reporting period. Please reconcile and make the necessary adjustments to the financial summary, and provide a copy to our Office once available.

(2) Slow moving activities – <https://www.hudexchange.info/idis/idis-reporting/>

There is an open activity #2 from FY 1994 as indicated in the IDIS PR02 with a balance of \$521.55 which needs to be closed. It's recommend that the City reprogram this balance to an eligible CDBG activity as soon as possible.

IDIS activity #95, from FY 2012 Community Park, is showing on the CDBG Activities at Risk Dashboard as having continued for 33 months with no accomplishments. The City is advised to properly indicate the accomplishments in IDIS or be prepared to reimburse the CDBG account for the amount expended. Please advise this office within 30 days of whether or not reimbursement is required.

(3) Classification of activities

IDIS activity #95, Community Park, is classified as an LMC national objective activity. It appears on the basis of the activity that it should be classified as LMA. Please provide a response to this concern providing the basis for the LMC classification and, if appropriate, the data basis for the classification as an LMA activity.

Fair Housing and Equal Opportunity (FHEO)

The Office of Fair Housing and Equal Opportunity (FHEO) is required to conduct an analysis of each grantee's Consolidated Annual Performance Evaluation Report (CAPER) to ensure compliance with the civil rights requirements to affirmatively further fair housing as required in 24 C.F.R. 91.225(a)(1), 91.325(a)(1), and 91.425(a)(1)(I). Affirmatively furthering fair housing means that each grantee will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, taken appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions taken in this regard. Additionally, the *Fair Housing Planning Guide* is available on the Hudweb at:

<http://www.hud.gov/offices/fheo/images/fhpg.pdf>

The *Fair Housing Planning Guide* contains valuable information, which may assist you in your revisions and future CAPER, and Annual Action Plan submissions.

The FHEO evaluation of the City's FY 2014 CAPER submission was based, in part, on their review of various Civil Rights Certifications; the Analysis of Impediments (AI); geographic distribution and areas of minority concentrations along with program benefit for minority persons and persons with disabilities.

The FHEO evaluation of the City's FY 2014 CAPER submission is currently under review. Once the review is completed it would be communicated in a separate letter.

Office of Public and Indian Housing (OPIH)

The Office of Public and Indian Housing (OPIH) was also required to conduct an analysis of the City's FY 2014 Consolidated Annual Performance Evaluation Report (CAPER). This request was intended for the accuracy of any data shown for the local PHAs, the City's housing inventory and the plan in general. The Office of Public and Indian Housing review revealed no concerns.

OVERALL EVALUATION AND CONCLUSION

Our review of the annual performance report indicates that the activities carried out by the City during the program year were generally eligible or otherwise consistent with applicable CDBG regulations.

The County/City's actions in the program year were consistent with the actions proposed to address identified priority needs. Results in achieving goals that were envisioned in the Consolidated Plan were commendable.

The City's approach to community development activities is comprehensive and creative, and reflects internal coordination and cooperation with its citizens.

To facilitate and expedite citizen access to our performance assessment, we request that you apprise the general public and interested citizen's organizations and non-profit entities, of its availability. If, for any reason, the City chooses not to do so, please be advised that our office is obligated to make this letter available to the public. We appreciate your cooperation in this matter.

It is also recommended that the City retain this assessment letter and make it available to its Independent Public Accountant (IPA).

In conclusion, as a result of our analysis we have determined that your overall progress is highly satisfactory. This determination is based upon the information available to this office, and does not reflect a comprehensive evaluation of specific activities.

Attached please find important information that would assist you in administering your CPD programs.

This office is available to assist you in any way possible. If you have any questions regarding this correspondence, or any other program matter, please do not hesitate to contact Dean Taylor, Community Planning and Development Representative at (305) 520- 5012, or via email message at: dean.m.taylor@hud.gov

Sincerely,



Ann D. Chavis

Director

Community Planning and Development Division

cc: Lisa Bustamante, Program Manager, US HUD

Enclosures

‘GREEN HOUSING CONSTRUCTION’

HUD encourages thoughtful, achievable consideration and implementation of energy efficient and environmentally-friendly elements in the NSP3 program. NSP Notice provides information and guidance on the following Green elements:

- Transit accessibility
- Green building standards
- Reuse of cleared sites
- Deconstruction
- Renewable energy
- Water conservation
- Energy efficient materials
- Healthy homes

HUD provides that a grantee may “require NSP homes to achieve an established environmental or energy efficiency standard such as Green Communities or equivalent.” The following resources are designed to assist grantees in the construction and rehabilitation of green affordable housing. These are provided on the *NSP Resource Exchange* under “Toolkits,” at:

<http://hudnsphelp.info/index.cfm?do=viewToolkitsHome>

- Green Housing Development Guide:
<http://hudnsphelp.info/media/resources/GreenHousingDevelopmentGuide.pdf>
- Sample Housing Rehabilitation Checklist:
<http://hudnsphelp.info/media/resources/HousingRehabilitationChecklist.doc>
- Sample Single-Family Housing Rehabilitation Specifications, including Green Specs
<http://hudnsphelp.info/media/resources/SampleSingleFamilyRehabSpecificationsIncludingGreenSpecs.doc>
- Sample Single-Family Housing Rehabilitation Standard Template:
<http://hudnsphelp.info/media/resources/SingleFamilyHousingRehabilitationStandard.doc>
More tools will be added to the resource page as developed.

Additionally, grantees interested in implementing Enterprise Green Communities Criteria can contact Enterprise for further information and assistance via:

www.greencommunitiesonline.org/

“CONSOLIDATED PLAN MANAGEMENT PROCESS - CPMP”

The Office of Management and Budget asked that HUD work with local stakeholders to streamline the Consolidated Plan, making it more results-oriented and useful to communities in assessing their own progress toward addressing the problems of low-income areas. Grantees are encouraged to use the tool formats in developing Consolidated Plans, Action Plans, and annual performance reports.

“MINORITY BUSINESS ENTERPRISES - MBE”

Under executive orders 11625, 12432 and 12138 grantees must subscribe procedures acceptable to HUD for a minority outreach program to ensure that they are making concerted efforts to attract minority groups to the procurement process.

Furthermore, the Office of Small and Disadvantaged Business Utilization (OSDBU) is required to collect and consolidate data on Minority Business Enterprise (MBE) on an annual basis. You are encouraged to utilize Woman's and Minority Business Enterprise participation in all HUD programs. Grantees should submit their information, via email, on HUD form 2516 (Grantee Contract and Subcontract Activity Report). Please note that you may access the forms at: <http://www.hud.gov/offices/osdbu/forms/hud2516.xls>.

2016 TRAINING SURVEY

Please help us to identify the areas of training that could benefit your jurisdiction in operating and managing your CPD program(s). Complete the survey below no later than February 29, 2016, and either email or fax it to your CPD Representative or to John Quade, CPD Representative at john.f.quade@hud.gov or (305) 536-4781.

Please indicate your interest in receiving technical assistance/training below by ranking the importance from the highest (5) to lowest (1).

5 – Very Important 4 – Important 3 – Average 2 – Slightly Important 1 – Not Important

- Development Finance
- Relocation and Real Property
- CHDO Assistance
- Construction and Rehabilitation Management
- Economic Development/Section 108
- Effective Agreements
- Environmental Review and Compliance
- Financial Management
- Efficiency/Green Building
- Homelessness Issues
- IDIS
- Income Determinations
- Lead-Based Paint Compliance
- Neighborhood Stabilization Program –NSP (specify): _____
- Procurement and Contracting
- Subrecipient Management
- Using Outcomes to Measure Performance
- Recordkeeping and Reporting
- Debarment, Suspension, and Termination
- Audits
- Program Monitoring
- Federal Labor Standards
- DRGR
- HMIS
- Emergency Solutions Grant
- Basic CDBG Program
- Advanced CDBG Program
- Meeting CDBG Timeliness Test Requirements
- Timesheet Records Compliance
- Activity Delivery vs. Program Administrative Costs
- Property Management and Disposition
- Program Income
- Basic HOME Investment Partnerships Program
- Advanced HOME Investment Partnerships Program

- HOME Match Report/Log
- Subsidy Layering Review
- Meeting Commitment/Disbursement/CHDO Set-Aside Deadlines
- Resale/Recapture Provisions
- Maximum Purchase Price/After-Rehab Value Compliance
- Rental Project Compliance
- Rent Determinations
- Housing Quality Inspections
- Affirmative Marketing
- Accessing HOME and Low-Income Housing Tax Credits (LIHTC) Projects
- HOPWA (i.e.: reporting, monitoring oversight, financial mgmt.): _____
- Combining Multiple Community Planning & Development Programs
- Fair Housing Compliance
- Civil Rights Compliance Basic CDBG Program
- Section 504 Compliance
- Equal Opportunity Compliance
- Section 3 Compliance
- Conflict of Interest Determinations
- eCon Planning Suite
- Consolidated Plan/Action Plan Preparation
- Other (Please specify): _____
