

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Greensboro Field Office

Office of Community Planning & Development

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November 22, 2017



Mr. Richard L. Woodruff
City Manager
P O Box 128
Jacksonville, NC 28546

Dear Mr. Woodruff:

Each year the Department of Housing and Urban Development (HUD) assesses the performance of formula grantees that receive community planning and development program funds. In preparing these assessments, we use information from the grantee's Consolidated Annual Performance & Evaluation Report (CAPER), the Integrated Drawdown & Information System (IDIS) and management review reports.

Preparing the CAPER provides grantees the opportunity to report outcomes and performance in meeting goals contained in the annual action plan and multi-year consolidated plan. HUD reviews programs for eligibility, national objectives, low/moderate income benefit, progress towards goals and compliance with additional requirements. We base the annual assessment of the community planning and development (CPD) program performance on the CAPER submitted for the program year ending June 30, 2017, and current IDIS and DRGR reports.

The CAPER was made available for public review and comment, and there were no comments received from citizens during the comment period. The document is well written and assembled in a way that the citizens of the city can understand.

We look forward to continuing to work with Jacksonville to accomplish its community development and affordable housing goals. Please contact Linda Golden at (336) 851-8059, if we can be of any assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew T. King". The signature is fluid and cursive, with a large loop at the end.

Matthew T. King, Ph.D.

Director

Office of Community Planning & Development

Enclosure

**ANNUAL COMMUNITY ASSESSMENT OF CPD PROGRAM PERFORMANCE
2016-17 CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT**

GRANTEE: City of Jacksonville
PROGRAM YEAR: 2016-17
REPORT PREPARED BY: Linda Golden
DATE REVIEW COMPLETED: November 3, 2017

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The primary purpose of the CDBG program is to meet the needs of low/moderate income people. Seventy percent of all funds must be used for this purpose. Grantees may opt to meet this requirement annually or over a two or three-year period. Jacksonville elected to meet the 70% requirement over a three-year period beginning 2015 and ending 2017. Since the beginning of this period, Jacksonville has spent \$1,349,977 and \$1,159,984 (85.9%), has been used for activities that are considered to benefit low/moderate income people.

CDBG activities must be eligible based on regulations and must meet one of three national objectives:

- > serve low/moderate income people;
- > prevent or eliminate slums and blight;
- > meet other urgent community development needs.

Our review raised no questions about eligibility and national objectives.

CDBG recipients are limited to using no more than 20% of the most recent grant plus 20% of program income on planning and administrative costs. Jacksonville exceeded this cap and used 21.42% of grant funds plus program income for these costs and will receive instructions for returning funds. It is noted that some of these administrative costs may have been for project delivery costs.

CDBG regulations require that grantees disburse funds timely. Grantees are considered timely if they have no more than the equivalent of 1.5 times the most recent grant in their U.S. Treasury account 60 days prior to the end of the program year. In Jacksonville's case, this test is applied on May 2 of each year. The city met the spending requirement on May 2, and must spend an additional \$135,164 between now and May 2, 2018, to pass the test this program year.

Jacksonville did not exceed the 15% public service cap with 6.57% used for these costs.

The city met or exceeded its annual goals for public services and homelessness, public facilities and improvements, and demolition and clearance. Homeowner housing rehabilitation was slightly below the expected goal and the rental housing development did not go forward as expected.

CPD PROGRAM MONITORING

Grantees have the obligation to monitor activities funded with CDBG funds for progress and compliance. This oversight responsibility extends to the activities of subrecipients that use federal funds on the city's behalf, contract management and regular reviews of HOME-assisted rental units during the period of affordability. Jacksonville has an effective system in place to monitor its projects.