



U.S. Department of Housing and Urban Development
Houston Field Office, Region VI
Office of Community Planning & Development
1301 Fannin, Suite 2200
Houston, Texas 77002
(713) 718-3199 - FAX (713) 718-3246
www.hud.gov

JUL 29 2014

Alsie Bond, Manager
Community Development Services Department
City of Bryan
P.O. Box 1000
Bryan, Texas 77805

Dear Ms. Bond:

SUBJECT: End of Year Letter for 2012
October 1, 2012 – September 30, 2013.

The primary purpose of this letter is to disclose the conclusions of the U. S. Department of Housing and Urban Development (HUD) of the programs included in the City of Bryan's Consolidated Annual Performance and Evaluation Report (CAPER), received in this office on December 27, 2013. The evaluation is based on the grantee's CAPER, data as reported in the Integrated Disbursement and Information System (IDIS) and other information (Consolidated Plan, financial reports, etc.) available to this office. Through this performance review, HUD's Office of Community Planning and Development (CPD) is able to amalgamate the statutory and regulatory requirements for evaluation of program progress, review program management and determine whether or not the City has the continued capacity to sufficiently implement and administer the programs for which federal assistance is received.

In preparing this letter, CPD examined the City's management of funds and activities undertaken for consistency with the priorities and objectives outlined in the City's Consolidated Plan. Therefore, the information provided in the CAPER for this and past program years was analyzed for compliance and accuracy with statutory and regulatory requirements (Part 91.520 and 91.525). CPD's review is based on an evaluation of the City's consolidated planning, program progress in the program management of funds and subrecipients, the annual performance report, and the achievement of program objectives. In Program Year 2012, the City of Bryan received \$836,285 in Community Development Block Grant (CDBG) funds and \$307,231 in HOME Investment Partnerships Act (HOME) funds.

Primary Benefit: In 2012, the City expended 96.32 percent of its CDBG funds for activities that benefit low-and moderate-income (LMI) persons. This percentile exceeds the 70 percent minimum standard for overall program benefits. Bryan is to be commended for its steadfast focus on activities which benefit low-and moderate-income persons.

Planning and Administration: In 2012, the amount of funds expended on planning and administration with CDBG funds equated to 17.95 percent which does not exceed the 20 percent cap for these activities.

Public Services: In 2012, the City obligated 14.89 percent of CDBG funds for public services. This percentile is within the 15 percent cap and is therefore acceptable. As a result, Bryan was in compliance with the cap standard. However, the City should take special care with respect to this requirement in the future in order to ensure that the cap is not inadvertently exceeded.

IDIS: It was observed during the review that the City of Bryan generally provides detailed and pertinent information in the accomplishment and description fields of IDIS as demonstrated by the PR03 (CDBG Activity Summary Report) for Program Year 2012. One exception that was noted was Activity 793. It was a 2009 Activity which was completed in 2013. Yet, the only Accomplishment Narratives were for 2010 and 2011. There should have been a narrative for 2012. Another exception involved IDIS Activity 795 which was a 2010 Activity which was completed in 2013. The City is urged to please ensure that all of the information reflected in IDIS is not only accurate and comprehensive in nature but also updated in a timely manner so that it may serve as an accurate reflection of the progress and status of each individual activity. The IDIS system is an absolutely critical and crucial system which is relied upon to determine the status and progress of a grantee's CDBG program. As such, its accuracy and completeness are of paramount importance.

As you will remember, the CDBG program has implemented enhancements in IDIS in order to assist grantees and field offices in preventing activities from remaining open with no action for long time periods, reducing the number of activities that are cancelled with draws, and providing explanations for revised draws. Please be reminded that a screen will identify pending at risk activities that are due to be flagged within three months, so that grantees can take action prior to appearing on the at risk lists. Grantees are given the opportunity to act on the pending activities, in order to avoid the extra work of providing reasons for delay and remediation actions.

CPD encourages all CDBG grantees to act in a proactive rather than reactive manner in order to resolve matters prior to the necessity of a Remediation Plan. Detailed instructions and guidance regarding these matters may be found at the links that follow:

http://www.hud.gov/offices/cpd/systems/idis/cdbg/cdbg_idis_11_4_faq.pdf

http://www.hud.gov/offices/cpd/systems/idis/cdbg/cdbg_grantee_inst_idis.pdf

<https://www.onecpd.info/onecpd/assets/File/CDBGGranteeInstructionsIDISRelease.pdf>

Minor Home Repair Assistance Program

For Program Year 2012, Table 1C demonstrates that the City had a crucial objective regarding the Minor Home Repair Assistance Program. Obviously, the ability to keep a property

in a habitable condition is a core necessity for a homeowner. The City uses CDBG funds for this specific objective. The City had the annual objective of assisting with fifteen minor repair projects including sweat equity projects annually or 75 over the five years. The actual accomplishment was 48 in 2012, 37 in 2011, and 41 in 2010. As a result, the City has already exceeded the standard for the five year period. The 126 completed in the first three years of the period equates to 68 percent above the five year goal.

For three consecutive years the City surpassed the annual goal by a large margin for this specific objective. As a result, the City is currently far ahead of schedule for this multi-year goal. Indeed, the City has already surpassed the five year goal by 51 minor repair projects. Clearly, the City of Bryan performed at an ideal and exceptional level of performance with regard to this particular objective for the past three years. CPD greatly appreciates your hard work and dedication and that of your staff with regard to this important goal.

Owner Occupied Rehabilitation

For Program Year 2012, Table 1C reflects that the City had an objective with respect to owner occupied rehabilitation. The City expended both CDBG and HOME funds for this objective. The City had the specific annual objective of rehabilitating three substandard housing units to standard condition annually or fifteen over the five year period. The actual accomplishment was only two owner occupied rehabilitation projects completed which equates to 66.7 percent of the annual objective for the 2011 Program Year. 2011 was the second year in which the expected number of three was not reached. Indeed, the anticipated or expected number for 2010 through 2011 was six but the actual number was only three or one-half (50 percent) of the expected number.

Fortunately, the City through the steadfast determination and resolute dedication of the staff produced a substantial and noteworthy achievement in the third year (2012) of the five year plan. In other words, the City drastically improved its performance in 2012 as the City was urged to do in CPD's 2011 End of Year Letter. Although it had been noted that the City had fallen substantially behind in the first two years, the City exceeded its performance in 2012 in order to make up for the deficit in production from the first two years. Specifically, the annual expected number for this specific objective was three. The actual number was five which is 66.7 percent above the goal for 2012. The result is that the multi-year goal of fifteen is within reach as the multiyear total is now eight. Although 46.7 percent of the expected number remains to be achieved, it is clear that the City has demonstrated that it is capable of overcoming deficits in the early part of a five year cycle.

Program Progress

The paramount importance of the efficient and effective stewardship over taxpayer funded activities by the City of Bryan cannot be overemphasized. Ideally, it is far preferable for a city to achieve each of its yearly goals rather than having to catch up and greatly increase the level of performance in the last year or two years of a five year cycle. HUD acknowledges the accomplishments made regarding the aforementioned objectives and looks forward to the City meeting and/or exceeding all of its objectives both on an annual and multi-year basis. However,

in those instances where goals have not been met, the City is encouraged to correct, as appropriate, any conditions that may be a hindrance to meeting its yearly goals.

CPD reports provide a vast array of important information regarding the status of the City's CPD funded programs. The City of Bryan deserves to be commended for having no red flags in its HOME Program as reflected on the report dated 9/30/2013. We are grateful for the staff's efforts to make this achievement possible. A copy of the report is attached for easy access. The CPD Cross Program Funding Matrix Report provides a conglomeration of insightful and pertinent data regarding the City's CPD funded programs.

It has come to CPD's attention that the staff of Bryan has shared its considerable HOME experience and has mentored staff of another PJ. We are grateful that the capable and accomplished staff of the City of Bryan has shared its practical knowledge and strategies with colleagues and thereby demonstrated leadership.

Civil Rights

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin in all HUD-assisted programs. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) prohibits discrimination in the sale, rental and financing of dwellings based on race, color, religion, sex or national origin. Title VIII was amended in 1988 by the Fair Housing Amendments Act, which expanded the coverage of the Fair Housing Act to prohibit discrimination based on disability or on familial status (presence of a child under the age of 18 and pregnant women). In the HUD workforce, Fair Housing and Equal Opportunity (FHEO) staff has the primary responsibility of ensuring compliance with fair housing laws. With reference to fair housing, we bring to your attention that Jeff Carlock, Equal Opportunity Specialist, has been assigned as Bryan's FHEO contact pertaining to HUD fair housing issues. Mr. Carlock of FHEO may be reached directly at 713-718-3182. Mr. Carlock stated that "We have reviewed the subject documents in accordance with 24 CFR Part 91.520 and have found it acceptable. The following items need to be noted: Please identify any funding for Fair Housing Activities."

Audits

OMB Circular A-133 Audits of States, Local Governments and Non-profit Organizations requires Federal award recipients to have independent audits performed, if they expend \$500,000 or more in Federal funds during their fiscal year. As the City of Bryan did exceed this threshold, an independent audit was conducted by Weaver and Tidwell, L.L.P. The results of this audit revealed no findings or concerns related to the HUD Federal award for this fiscal year.

Conclusion:

There are a few areas in which improvements can be made by the City. Please focus on improving the City's CPD programs in the areas outlined in this letter. However, a general conclusion may be made at this point in time regarding the City's performance.

In summary, based on reviews by the Houston staff, the following general determinations have been made concerning the City of Bryan's performance during the 2012 Program Year:

1. The City has carried out its program substantially as described in its Consolidated Plan submission;
2. The Consolidated Plan submission as implemented generally complies with the requirements of the Housing and Community Development Act and other applicable laws and regulations; and
3. The City has the continuing capacity to carry out the approved program in a timely manner.


Public Access

This report is intended to be shared with the public. You may provide copies to interested persons such as the news media, members of local advisory committees, and citizens attending public hearings. We also request that you provide a copy of this letter to the Independent Public Accountant who performs the single audit of the City in accordance with OMB Circular A-133.

Please recognize that the comments and conclusions made in this letter are subject to a 30-day review and comment period by the City. We may revise this letter after consideration of the City's views and will make the letter, the City's comments and any revisions available to the public within 30 days after receipt of the City's comments. Absent any comments by the City, this will be considered the final letter on this subject.

Again, we congratulate the City of Bryan on those accomplishments achieved during the past year and look forward to seeing improvement in those areas that are capable of being approved. If you have any questions regarding this letter, please contact me or call Robert Beck, Community Planning and Development Representative at 713-718-3119.

Sincerely,



Sandra H. Warren
Director, Community Planning and
Development

Enclosure

SNAPSHOT of HOME Program Performance--As of 9/30/13
Local Participating Jurisdictions with Rental Production Activities

Participating Jurisdiction (PJ): Bryan State: TX PJ Since (FY): 1996
 PJ's Total HOME Allocation Received: \$7,362,829 PJ's Size Grouping*: C

Category	PJ	State Average	State Rank	Nat'l Average	Nat'l Ranking (Percentile)**:	
					Group	C

PJs in State: 38 In State: 18 / 38 Nationally: 46

Program Progress:

% of Funds Committed	<u>95.95</u> %	<u>93.88</u> %	<u>11</u>	<u>95.40</u> %	<u>52</u>	<u>51</u>
% of Funds Disbursed	<u>94.97</u> %	<u>88.84</u> %	<u>2</u>	<u>89.86</u> %	<u>80</u>	<u>83</u>
Leveraging Ratio for Rental Activities	<u>0.03</u>	<u>5.06</u>	<u>28</u>	<u>5.38</u>	<u>1</u>	<u>1</u>
% of Completed Rental Disbursements to All Rental Commitments***	<u>100.00</u> %	<u>90.35</u> %	<u>1</u>	<u>92.30</u> %	<u>100</u>	<u>100</u>
% of Completed CHDO Disbursements to All CHDO Reservations***	<u>93.31</u> %	<u>77.88</u> %	<u>7</u>	<u>83.07</u> %	<u>72</u>	<u>76</u>

Low-Income Benefit:

% of 0-50% AMI Renters to All Renters	<u>81.25</u> %	<u>74.60</u> %	<u>25</u>	<u>82.35</u> %	<u>37</u>	<u>38</u>
% of 0-30% AMI Renters to All Renters***	<u>62.50</u> %	<u>38.82</u> %	<u>13</u>	<u>46.49</u> %	<u>76</u>	<u>79</u>

Lease-Up:

% of Occupied Rental Units to All Completed Rental Units***	<u>100.00</u> %	<u>99.47</u> %	<u>1</u>	<u>97.19</u> %	<u>100</u>	<u>100</u>
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Overall Ranking:

HOME Cost Per Unit and Number of Completed Units:

Rental Unit	<u>\$51,719</u>	<u>\$21,365</u>	<u>\$31,331</u>	<u>16</u> Units	<u>3.40</u> %
Homebuyer Unit	<u>\$9,237</u>	<u>\$11,050</u>	<u>\$16,598</u>	<u>417</u> Units	<u>88.20</u> %
Homeowner-Rehab Unit	<u>\$44,270</u>	<u>\$33,486</u>	<u>\$20,884</u>	<u>40</u> Units	<u>8.50</u> %
TBRA Unit	<u>\$0</u>	<u>\$3,775</u>	<u>\$3,346</u>	<u>0</u> Units	<u>0.00</u> %

* - A = PJ's Annual Allocation is greater than or equal to \$3.5 million (18 PJs)
 B = PJ's Annual Allocation is less than \$3.5 million and greater than or equal to \$1 million (118 PJs)
 C = PJ's Annual Allocation is less than \$1 million (438 PJs)
 ** - E.g., a percentile rank of 70 means that the performance exceeds that of 70% of PJs.
 *** - This category is double-weighted in compiling both the State Overall Ranking and the National Overall Ranking of each PJ.

Program and Beneficiary Characteristics for Completed Units

Participating Jurisdiction (PJ): Bryan TX

Total Development Costs:
(average reported cost per unit in HOME-assisted projects)

PJ: \$52,011
State:** \$76,534
National:** \$114,596

Homebuyer \$76,525
Homeowner \$48,504

CHDO Operating Expenses:
(% of allocation)

PJ: 0.1 %
National Avg: 1.2 %

R.S. Means Cost Index: 0.73

RACE:	Rental %	Homebuyer %	Homeowner %	TBRA %	HOUSEHOLD TYPE:	Rental %	Homebuyer %	Homeowner %	TBRA %
White:	50.0	34.5	12.5	0.0	Single/Non-Elderly:	12.5	24.7	10.0	0.0
Black/African American:	18.8	27.8	50.0	0.0	Elderly:	87.5	4.8	55.0	0.0
Asian:	0.0	0.7	0.0	0.0	Related/Single Parent:	0.0	29.0	17.5	0.0
American Indian/Alaska Native:	0.0	0.2	0.0	0.0	Related/Two Parent:	0.0	39.8	12.5	0.0
Native Hawaiian/Pacific Islander:	0.0	0.0	0.0	0.0	Other:	0.0	1.7	5.0	0.0
American Indian/Alaska Native and White:	0.0	0.0	0.0	0.0					
Asian and White:	0.0	0.0	0.0	0.0					
Black/African American and White:	0.0	0.0	0.0	0.0					
American Indian/Alaska Native and Black:	0.0	0.0	0.0	0.0					
Other Multi Racial:	0.0	0.0	0.0	0.0					
Asian/Pacific Islander:	0.0	0.0	2.5	0.0					

ETHNICITY:

Hispanic 31.3 36.7 35.0 0.0

HOUSEHOLD SIZE:

1 Person:	87.5	20.9	22.5	0.0	Section 8:	31.3	1.7#
2 Persons:	12.5	16.8	55.0	0.0	HOME TBRA:	0.0	
3 Persons:	0.0	20.4	7.5	0.0	Other:	0.0	
4 Persons:	0.0	22.5	7.5	0.0	No Assistance:	68.8	
5 Persons:	0.0	12.2	7.5	0.0			
6 Persons:	0.0	5.5	0.0	0.0			
7 Persons:	0.0	1.2	0.0	0.0			
8 or more Persons:	0.0	0.5	0.0	0.0			

of Section 504 Compliant Units / Completed Units Since 2001 8

* The State average includes all local and the State PJs within that state

** The National average includes all local and State PJs, and Insular Areas

Section 8 vouchers can be used for First-Time Homebuyer Downpayment Assistance.

HOME PROGRAM
SNAPSHOT WORKSHEET - RED FLAG INDICATORS
 Local Participating Jurisdictions with Rental Production Activities

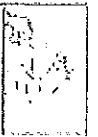
Participating Jurisdiction (PJ): Bryan State: TX Group Rank: 46
 (Percentile)
 State Rank: 18 / 38 PJs Overall Rank: 45
 (Percentile)
 Summary: 0 / Of the 5 Indicators are Red Flags

FACTOR	DESCRIPTION	THRESHOLD*	PJ RESULTS	RED FLAG
4	% OF COMPLETED RENTAL DISBURSEMENTS TO ALL RENTAL COMMITMENTS	< 89.91%	100	
5	% OF COMPLETED CHDO DISBURSEMENTS TO ALL CHDO RESERVATIONS	< 73.49%	93.31	
6	% OF RENTERS BELOW 50% OF AREA MEDIAN INCOME	< 70%**	81.25	
8	% OF OCCUPIED RENTAL UNITS TO ALL RENTAL UNITS	< 94.31%	100	
"ALLOCATION-YEARS" NOT DISBURSED***		> 4.580	1.20	

* This Threshold indicates approximately the lowest 20% of the PJs
 ** This percentage may indicate a problem with meeting the 90% of rental units and TBRA provided to households at 60% AMI requirement
 *** Total of undisbursed HOME and ADDI funds through FY 2012 HOME and ADDI allocation amount. This is not a SNAP-SHOT indicator, but a good indicator of program progress.
 Source: Data entered by HOME Participating Jurisdictions into HUD's Integrated Disbursement and Information System (DIS)



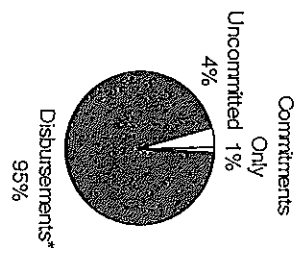
— HOME Investment Partnerships (HOME) Program —
Program Progress Dashboard
 Cumulative as of 9/30/13



Participating Jurisdiction (PJ): **Bryan, TX**

PJ Since: **1996**

(1) Status of Funds
 Total HOME Allocations Received: **\$7,362,829**



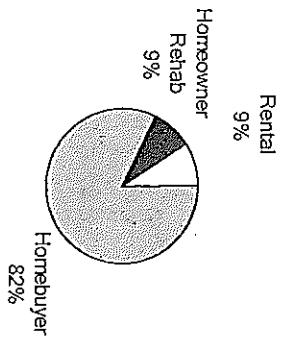
*"Disbursements" include previously committed funds.

Last Quarter (July 1 - September 30, 2013):

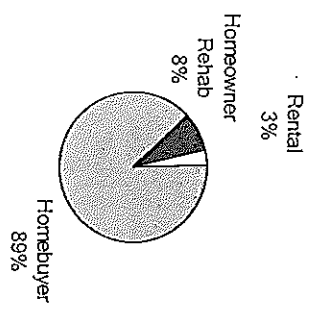
Net Increase: **11**

Total: **473**

(2) Unit Production - Completions



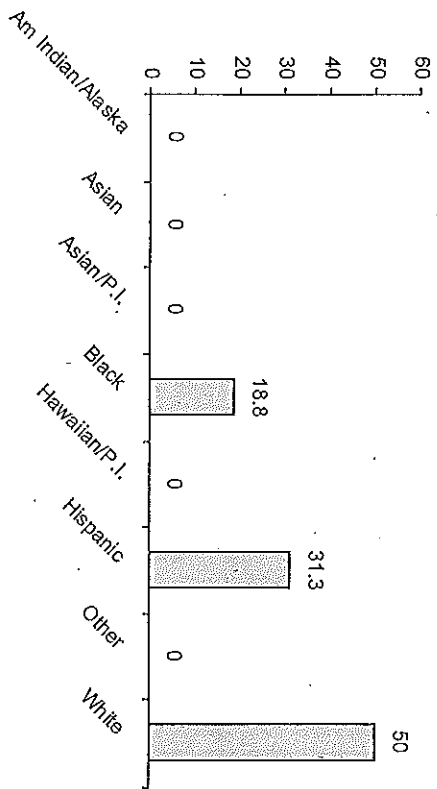
New Tenant-Based Rental Assistance (TBRA): **0 Households**



Tenant-Based Rental Assistance (TBRA) Total: **0 Households**

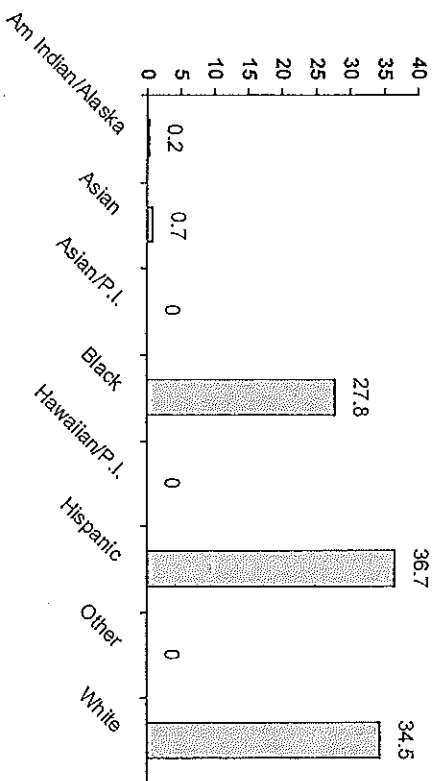
(3) Production Detail
Racial/Ethnic Breakout

Rental Projects



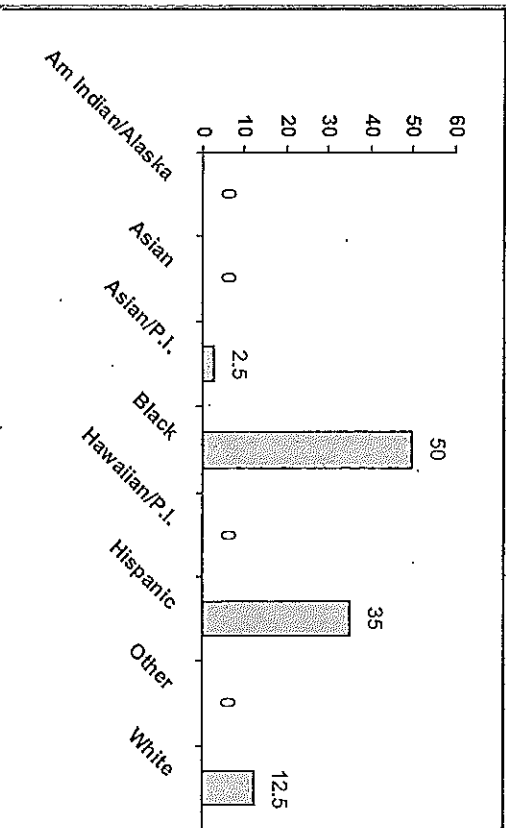
Avg. Total Dev. Cost (TDC)* Per Unit: \$52,011

Homebuyer Projects



Avg. Total Dev. Cost (TDC)* Per Unit: \$76,525

Homeowner Rehabilitation Projects

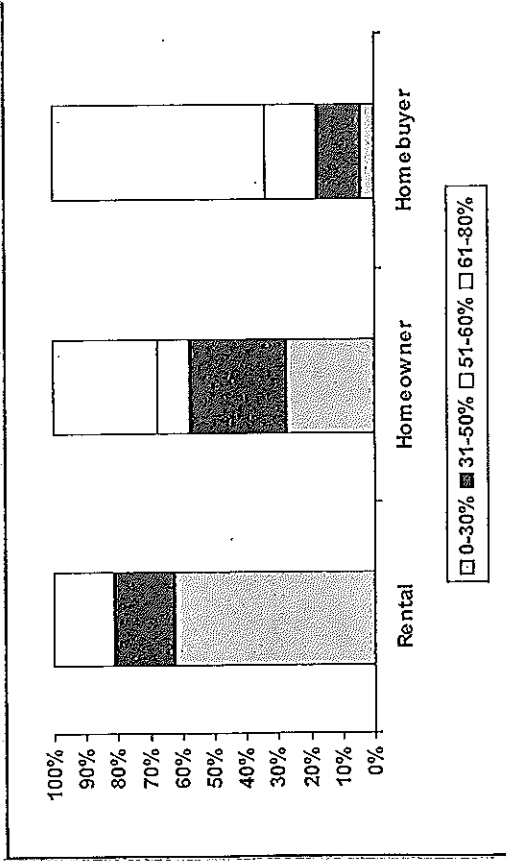


Avg. Total Dev. Cost (TDC)* Per Unit: \$48,504

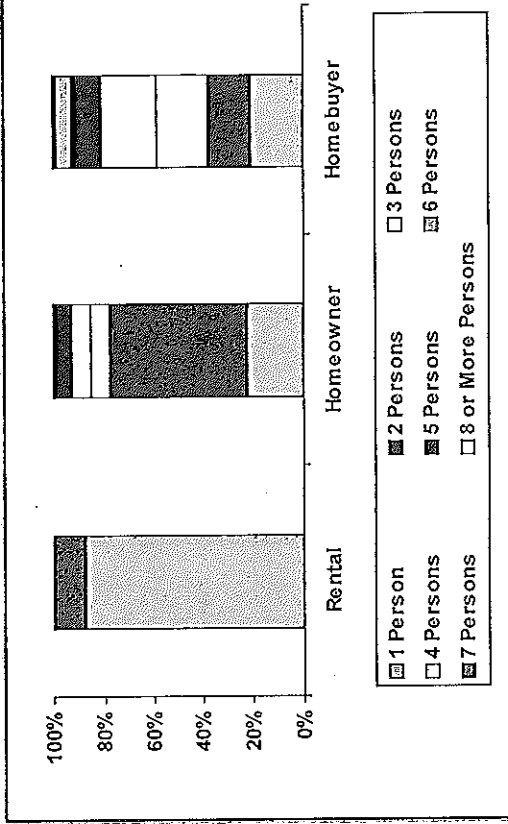
* TDC - Includes all sources of funds
Source: Data entered by HOME Participating Jurisdictions into HUD's Integrated Disbursement and Information System (DIS)



b. Income Range Breakout



c. Family/Size Breakout



d. Household Type Breakout

