



U.S. Department of Housing and Urban Development
Houston Field Office, Region VI
Office of Community Planning & Development
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AUG 20 2018

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

Dear Ms. Bond:

Subject: Follow Up to End of Year Assessment Letter for Program Year (PY) 2014
October 1, 2014 through September 30, 2015

Please accept this office's apologies for the overdue response to the City of Bryan's March 31, 2017 letter in response to HUD's end of year assessment letter. A random audit of Consolidated Annual Performance and Evaluation Report (CAPER) review files was conducted and during this audit it was determined that HUD had not sent the City follow up correspondence.

The City requested a revision to its End of Year Assessment Letter to correct the number of rental units funded referenced in the goal achieved paragraph. The original letter stated that the City has funded 360 rental units with its funds. When the CAPER was reviewed, Specific Objective DH-1.RHO 1.1 on Table 1 C Summary of Specific Objectives was misread as being federally funded. The report clearly states "Private Funds by other entities (not CDBG or HOME funds). The revision is incorporated below:

The Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require that grant recipients submit annual performance reports for the programs covered under these Acts. The Acts require the Secretary of Housing and Urban Development (HUD) to determine annually that the grant recipient is in compliance with these statutes and has the continuing capacity to carry out the programs for which it receives funds. One of the documents used to conduct the assessment is the Consolidated Annual Performance and Evaluation Report (CAPER). Program Year 2014 was the fifth and final year of the City's five year, October 1, 2010 through September 30, 2015, Consolidated Plan. For Program Year 2014, the City received \$864,653 in Community Development Block Grant (CDBG) funds, \$302,724 in Home Investment Partnerships (HOME) funds. The City also reported receiving \$52,532.24 in HOME program income and \$18,309.81 in CDBG program income. The CAPER was received on December 23, 2015. The report was timely and received within 90 days of the end of the City's program year in accordance with 24 CFR 91.520(a).

The end of year assessment provides the basis for working together collaboratively to achieve the community's goals as well as meeting the mandates of the statutes. It includes a review of the County's planning process, its management of funds and its progress in carrying out the strategies

and goals identified in the Consolidated Plan. Compliance with statutory and regulatory requirements, accuracy of required performance reports and evaluation of accomplishments in meeting key departmental objectives are also evaluated. In addition, the CAPER is reviewed in conjunction with the Office of Fair Housing and Equal Opportunity (FHEO) to confirm there are no issues of noncompliance with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063, the Age Discrimination Act of 1975 and Section 3 of the Housing and Urban Development Act of 1968 and all regulations promulgated under such statutes and authorities. A copy of the FHEO comments is enclosed with this letter.

In concert with the CAPER, a number of IDIS based reports are reviewed to validate the information. The reports include but are not limited to the CDBG Activity Summary Report (GPR) for the Program Year 2014 (PR03), the CDBG Financial Summary Report (PR26), the 60-day Ratio Report (PR56) and the HOME Deadline Compliance Status Report. These documents reflect whether or not a grantee is spending timely and meeting regulatory and statutory requirements and are excellent tools for a grantee to conduct self assessments.

The PR03 reflects CDBG activities undertaken by the City during the program year. The information includes details of projects/activities, the amount of funding allocated per project/activity and how much has been spent and how many have benefitted from the activity. A review of the 56-page PR03 as of December 18, 2015 showed that of the 28 activities in progress during the year, 21 were in a completed status and seven were underway. It is always recommended that a review of open activities in IDIS be conducted to assess project status and ensure the narrative is reflective of the current project status. This review can be done in conjunction with the CDBG Activities at Risk Dashboard report (PR59). If it appears that an activity has stalled, staff should review and follow its department policies for addressing the activity and associated funds.

The PR26 report reflects CDBG spending during the program year including the percentage of funds benefitting low to moderate income residents and obligated for public services and administration and planning activities. The statutory requirement for overall benefit to low- and moderate-income persons is 70 percent. Bryan's PR26 reflected a 99.4% benefit to low- and moderate-income persons. The percentage of funds obligated for public service activities was 13.11% of the grant amount, and the percentage of funds obligated for planning and administration were 19.54% of the grant amount. By regulation, the standard allowable limits are 15% and 20% respectively.

The PR56 report documents timeliness of a CDBG grantee. HUD regulation at 24 CFR 570.902 requires CDBG grantees to spend their funds in a timely manner. A grantee is considered timely if 60 days prior to the end of their program year the balance of grant funds in its line of credit does not exceed 1.5 times the annual grant. A review of the PR56 reflected that Bryan met its timeliness ratio for Program Year 2014 with a 1.07 ratio on August 2, 2015.

The HOME Deadline Compliance Status report documents compliance with the two-year commitment and Community Housing and Development Organizations (CHDO) reservation requirements of the HOME statute and the five-year expenditure requirements of the HOME regulations. The City met its 2012 HOME Commitments and 2012 CHDO Reservations by the

September 30, 2014 deadline as reflected on the HOME Deadline Compliance report. The City was able to meet its 2009 HOME Disbursements Deadline by the October 31, 2014 deadline.

The City had a number of high priority objectives identified in its 2010 five-year Consolidated Plan which included but was not limited to: facilitating the development and preservation of affordable housing, encouraging fair housing, and assisting in providing public services and facilities for low and moderate-income citizens. Highlights of the goals that the City achieved and exceeded included:

- Funding for development of Habitat for Humanity homes
- Funding rehabilitation of owner occupied homes
- Funding of public service agencies to provide: health, education, and counseling services

As a result of this office's assessment and the information provided in the PY 2014 CAPER, the following was determined:


- the City carried out its programs substantially as described in its Consolidated and Annual Action Plan submissions,
- the Consolidated Plan submission as implemented, complied with requirements of the Housing and Community Development Act, as amended, and other applicable laws and regulations, and
- the City had the continuing capacity to carry out the approved program in a timely manner.

This revised letter is to be shared with the public. You may provide copies to interested groups and persons such as news media, members of local advisory committees, and citizens attending public hearings. We request that you also provide a copy of this letter to the Independent Public Accountant who performs the single audit of the City of Bryan.

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 Bryan'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 comments. Absent any comments by the City, this will be considered the final letter on this subject.

We congratulate the City of Bryan on the community's efforts and accomplishments during the 2014 program year. If you have any questions please let me know or call Christine Cuddeback, Senior Community Planning and Development Representative, at (713) 718-3117.

Sincerely,



Stacia L. Johnson, Director
Community Planning and Development

Enclosure



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MEMORANDUM FOR: Sandra H. Warren, Director, Community
Planning 6ED

FROM: Christina Lewis, Director, Houston FHEO

A handwritten signature in cursive script, appearing to read "J.A. Carlock for Christina Lewis".

Date: January 15, 2016

SUBJECT: Consolidated Annual Performance and Evaluation Report
(CAPER) City of Bryan Texas
Performance Period: October 1, 2014 through September 30, 2015

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:

1. Please reference where you indicate notices made for Limited English Proficient (LEP) population in languages other than English.

If you have any questions regarding this review, please contact J.A. Carlock at 713-718-3182.