



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

February 28, 2013

Honorable Georgia A. Hiller, Esq.
Chair, Board of County Commissioners
Collier County
3299 Tamiami Trail East, #303
Naples, Florida 34112

Dear Chair Hiller:

**Subject: Annual Community Assessment
Consolidated Annual Performance and Evaluation Report (CAPER)
2011 Program Year - CDBG, CDBG-R.HOME, ESG, HPRP and NSP Programs
Collier County**

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 on the achievement of Departmental Objectives.

SUMMARY OF PERFORMANCE

Community Development Block Grant (CDBG)

The County received \$2,114,163 in fiscal year 11' funds, and the Financial Summary Report indicates that 100% was expended on activities benefiting low or moderate-income persons. This performance exceeds Departmental standards.

HUD's mission is to create strong, sustainable, inclusive communities and quality, affordable homes for all.

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The Financial Summary showed \$168,967 net obligations for Public Services or 7.99% of the grant. The Financial summary also indicated \$402,621.40 net for planning and administrative costs or 19.04% of the grant funds plus program income received during the program year. Our review of the activities indicates that they are eligible as provided for at 24CFR 570.201-6, and meet one of the three National Objectives established at 24CFR 570.208.

We were pleased with the County's Economic Development activities which provided assistance to 10 start up businesses through its Business Incubator project.

HOME

The County received \$662,126 in fiscal year 2011 HOME funds. Our review determined that the County achieved its objectives of providing affordable housing by assisting a total of 35 families with Tenant Based Rental Assistance (TBRA) project.

As a reminder, please be aware that any HOME funds appropriated in FY 2002 will not be available for PJs to expend after September 30, 2009. HOME funds remaining in your FY 2002 grant after this date will be recaptured by the United States Treasury. Unexpended HOME funds in grants from 1992 through 2001 are not subject to these rules. However, beginning with the FY 2002 appropriation, each annual HOME grant is subject to this eight-year expenditure rule. So, for example, FY 2005 HOME funds will no longer be available to you after September 30, 2013. You may refer to HOME facts Vol 2 No 2 February 2009, for additional instructions of this requirement and the link below:

<http://www.hud.gov/offices/cpd/affordablehousing/library/homefacts/volumes/vol2no2.cfm>

<http://www.hud.gov/offices/cpd/affordablehousing/reports/expiringfunds/explanations.pdf>

Emergency Shelter Grant (ESG)

The County received \$94,611 in fiscal year 2011 ESG funds. Our review determined that the County committed \$94,611 ESG funds during this reporting period.

The County has made significant progress in assisting homeless persons under the Emergency Shelter Grant program. All grants have been expended within 24 months of the date of the grant award. All activities were deemed eligible in accordance with 24 CFR 576, and not more than 5% of the grant amount was used for costs of staff. The match requirements and limits on the use of essential services and homeless prevention activities have been met. The County is to be commended for its performance in supporting emergency shelter services for 2,422 persons.

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 County 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 County is inputting data for all of 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 2011:

(1) Timeliness –

The County did not meet the timeliness test held on August 2, 2012. The County's LOC balance was \$4,350,754 which represent 2.06 years of funding. This office notified the County and a finding of non-compliance was made. A review of the County's timeliness ratio as of February 2013, disclosed that the ratio is at 2.06 and the County needs to spend \$3,058,376 before the next timeliness test is held. Please submit to this office an updated work plan within 30 days from the date of this letter.

(2) HOME - Commitments/disbursements- expenditures- red flags. -

As a reminder, HOME funds are available to participating jurisdictions (PJs) for commitment to affordable housing and a minimum of 15 percent of each PJ's allocation must be reserved for investment in housing to be developed, sponsored, or owned by community housing development organizations (CHDOs) during the 24-month period after the last day of the month in which the Department of Housing and Urban Development (HUD) notifies the PJ of HUD's execution of the

HOME Investment Partnerships Grant Agreement. These provisions are implemented by regulation at 24 CFR 92.500(d). A review of the HOME Deadline Compliance Status Report as of January 31, 2013 reflects that the County has \$823,133 uncommitted HOME funds that may be deobligated if funds are not committed. Please provide within 30 days from the date of this letter, what steps the County will take to meet the October 31, 2013 deadline date.

In addition, the HOME Program Performance "SNAPSHOT" is a quarterly cumulative performance report that evaluates the performance of participating jurisdictions by providing a context for accomplishments. The latest performance SNAPSHOT measures cumulative program progress through December 30, 2012. The SNAPSHOT report indicates that the County may have an issue meeting several of the threshold requirements. Please review this report at the following website: <http://www.hud.gov/offices/cpd/affordablehousing/reports/index.cfm#dash> and provide status on the County's accomplishments for this reporting cycle.

A review of the County's HOME Open Activities report is also reflecting one open activity in final draws over 120 days. The last update provided on this activity 308 (Esperanza Place) was that expected completion was for December 2012. HOME Open Activities report may also be viewed at website previously mentioned. Please provide status of this activity.

(3) Open Findings – CDBG, HOME, ESG

The County has several outstanding Findings related to prior CDBG, HOME, and ESG monitoring visits. Some of these findings remain open due to open activities, subsidy layering, etc. This office will be following up to ensure that the County has taken corrective actions and will provide TA to close out those open findings.

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/office/fheo/affirmative.cfm>

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 your FY '2011 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 CAPER addressed some of the above areas. However, there are 2 areas of concern where the County should provide additional information as noted below:

1. There is no information on census tracts or minority representation.
2. The County received Section 3 funding, but the Summary Report submitted by the County indicated that there were no contracts awarded to Section 3 Businesses and no new hires or training of Section 3 residents.

Please provide your responses to the FHEO issues identified above within 45 days of your receipt of this letter. If you require technical assistance from FHEO, please contact your local CPD Representative who will forward your request to the appropriate FHEO office. Additionally, the Fair Housing Planning Guide, is available on the Hudweb at <http://www.hud.gov/office/fheo/affirmative.cfm>. The Fair Housing Planning Guide contains valuable information, which may assist you in your revisions and future CAPER, and Annual Action Plan submissions. *

Office of Public and Indian Housing (OPIH)

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

The Housing and Economic Recovery Act of 2008 And The American Recovery and Reinvestment Act of 2009 Programs*

Neighborhood Stabilization Program (NSP-1)

The Neighborhood Stabilization Program (NSP1) was authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008.

Collier County received \$ 7,306,755.00 in fiscal year 2009 and is commended on its performance in expending \$ 8,290,260.01 or 113.5% of its NSP-1 grant funds plus program income as of January 18, 2013 which produced 34 households that benefited low, moderate, and middle income persons in the areas of greatest need. This performance meets Departmental standards.

The regulation requires that ... "no less than 25% of the funds appropriated or otherwise made available for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose income do not exceed 50% of area median income." The 25% set a side minimum requirement is \$2,310,002.43 of grant funds including any program income. Currently, the County has expended \$2,375,086.25 or 25.7% of its grant funds including any program income for Low Income Households (LH25).

The County reported that it received \$ 1,933,254.70 in program income and disbursed \$1,491,846.87. As you are aware, program income must be disbursed prior to any draw-down of grant funds. In addition, the County should maintain documentation (i.e. spreadsheets, reports, receipts, etc.) to track program income.

The County's is encouraged to continue reporting in the Disaster Recovery Grant Reporting (DRGR) system.

Neighborhood Stabilization Program (NSP3)

Collier County received \$3,884,165.00 in fiscal year 2011 and has expended \$589,719.04 or 15.18% of its NSP3 grant funds plus program income as of January 18, 2013 which produced 0 households that benefited low, moderate, and middle income persons in the areas of greatest need. This performance does not meet Departmental standards.

The County is required to expend at least 50% of allocated funds within two years of the date funds become available to the grantee for obligation, and 100% of such funds within three years of such date (Dodd-Frank Act).

The expenditure deadline dates are as follows:

- 50% by March 2013
- 100% by March 2014

The regulation requires that ... "no less than 25% of the funds appropriated or otherwise made available for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose income do not exceed 50% of area median income." The 25% set a side minimum requirement is \$ 971,041.25 of grant funds including any program income. Currently, the County has expended \$ 0.0 or 0% of its grant funds including any program income for Low Income Households (LH25).

Our records indicate that the County has not received any program income. However, once received please ensure that program income is drawn down prior to any disbursement of the grant funds and maintain documentation (i.e. spreadsheets, reports, receipts, etc.) to track program income.

The County is encouraged to continue reporting in the Disaster Recovery Grant Reporting (DRGR) system.

Community Development Block Grant – Recovery (CDBG-R)

Collier County received \$ 631,283.00 in fiscal year 2009, and has expended \$ 614,716.73 or 97.38% of its CDBG-R funds.

The County is encouraged to continue reporting in the Federal Reporting System until the grant is officially closed-out.

As a reminder, CPD Notice # 12-004 was issued on February 13, 2012 and provides closeout instructions for the CDBG-R program. The Notice can be accessed at the link below; once open, click on the link beside 2012-04:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/cpd

HUD expects that all CDBG-R grants should be ready for grant closeout no later than six months after the expenditure deadline, (9/30/2012), or March 31, 2013. **Grantees will need to submit their final report to FederalReporting.gov before they can proceed to closeout.** A CDBG-R grant cannot be closed out until all activities comply with national objective requirements. Therefore, grantees should ensure that all activities will have met national objective criteria requirements by March 31, 2013 and these should be entered into IDIS for CDBG-R activities. If grantees currently know that they have activities that may not meet a national objective by this deadline, they should consult their field office for advice. For example, if a housing project was rehabilitated in a blighted area and will not be occupied by March 31, 2013, the national objective may initially be input into IDIS with the national objective of the elimination of slum and blight and once occupied, changed to low-mod housing.

Homelessness Prevention & Rapid Re-housing Program (HPRP)

Collier County received \$ 888,850.00 in fiscal year 2009, and is commended on your performance in meeting the July 2012, expenditure deadline and ultimately closing out the grant. Though the grant has been closed out, please be reminded that the County remains subject to the recordkeeping and other requirements specified in 24 CFR § 85.26, 85.32, 85.42, 85.51, 85.52, 91.105(h), 91.115(g); and the County's citizen participation plan.

OVERALL EVALUATION AND CONCLUSION

Our review of the annual performance report indicates that the activities carried out by the County during the program year were generally eligible or otherwise consistent with applicable CDBG, CDBG-R, HOME, ESG, HPRP, and NSP program regulations.

The County'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 satisfactory.

The County's approach to community development activities is comprehensive and creative, and reflects exceptional 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 County 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.

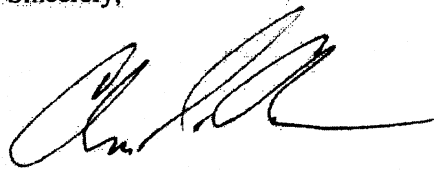
It is also recommended that the County retain this assessment letter and make it available to its Independent Public Accountant (IPA).

In conclusion, as a result of our analysis we have determined that your overall progress is 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.

If you have any questions regarding this correspondence, or any other program matter, please do not hesitate to contact Nora E. Casal, CPD Representative, at (305) 520-5009, or via e:mail at nora.e.casal@hud.gov.

Sincerely,



Ann D. Chavis, Director,
Community Planning and Development

cc: ✓ Ms. Kimberley Grant, MBA, Interim Director
Housing and Human Services Department
Lisa Bustamante, Program Manager

“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>.

2013 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 March 30, 2013, 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): _____



Collier County
Public Services Division
Housing, Human & Veteran Services

March 27, 2013

Ms. Ann D. Chavis, Director
Community Planning and Development
U.S. Department of Housing and Urban Development
Atlanta Region, Miami Field Office
Brickell Plaza Federal Building
909 SE First Avenue, Room 500
Miami, FL 33131-3042

RE: Annual Community Assessment - Consolidated Annual Performance and Evaluation Report (CAPER) – 2011 Program Year – CDBG, CDBG-R, HOME, ESG, HPRP and NSP Programs Collier County

Dear Ms. Chavis:

We are in receipt of your Annual Community Assessment letter dated February 28, 2013. We are pleased to learn that activities carried out by the County during the program year were generally eligible or otherwise consistent with applicable regulations, that the actions were consistent to address prioritized needs, and that the approach to community development activities reflects internal coordination and cooperation with our citizens. We offer the following responses/documents in response to the concerns contained therein:



(1) Timeliness –

We continue to implement the *Collier County Action Plan to Achieve CDBG Timeliness* worksheet outlined in our letter dated February 21, 2013. The following is an update to that letter:

- Re-programmed and in process of awarding approximately \$1.683 million
 - Projects
 - 2 large land acquisition projects (\$1,035,000 combined)
 - A re-roof project (\$235,000)
 - Balance to local subrecipients (\$413,578)
 - Timeline
 - Agreements to be executed 4/23/13
 - Projects begin 5/1/13 and completed 9/30/13
 - Fiscal Impact to timeliness currently estimated at \$1.683 million by November 2013

We have had one setback since our February letter. The City of Naples has notified us that they will not be moving forward with the land acquisition identified in the FY12-13 Action Plan. Staff is working with the City to identify another eligible project. Once a project has been identified, we will complete a substantial amendment and identify the new project. The most updated timeliness plan identifies this change.

The most current spreadsheet addressing timeliness projections will be mailed under separate cover no later than Friday, April 5 2013.

Housing,
Human and 
Veteran Services

of Collier County



3339 Tamiami Trail East, Suite 211 • Naples, FL 34112-5361

239-252-CARE (2273) • 239 252-HOME (4663) • 239-252-CAFÉ (2233) • 239-252-RSVP (7787) • 239-252-VETS (8387) • www.colliergov.net/humanservices

(2) HOME – Commitments/disbursements – Expenditures – Red Flags

In order to meet the October 31, 2013 expenditure deadline staff is in the process of developing a down payment assistance program. Staff advertised a substantial amendment on March 14, 2013 identifying \$800,000 in HOME funds to be allocated to this program, and is expecting to begin the program in May 2013.

HOME SNAPSHOT – Red Flags

The County currently has 2 red flags in SNAPSHOT. As of December 30, 2012 Factor 4 (% of completed rental disbursement) was at 87.9%. On February 12, 2013 Staff added 79 units to activity 388. Our percentage will increase accordingly. No activity has occurred in Factor 5 (% of disbursement to all CHDO reservation). Staff will develop a plan to address this matter.

HOME Open Activities

Two of the three homes (2384 and 2388 Esperanza Place) is expected to close on Friday, March 29, 2013. The remaining home, 2392 Esperanza Place, will close shortly thereafter. HHVS will update IDIS immediately when the settlement statements are delivered.

(3) Open Findings – CDBG, HOME, ESG

Staff has updated the Cure Schedule and included it as an attachment to this letter.

(4) Fair Housing and Equal Opportunity (FHEO)

One of the concerns raised is that there was “no information on census tracts or minority representation”. Please note Page 13 of the CAPER addresses low income census tracts in the Immokalee and City of Naples River Park areas where funding has been targeted. The County also included two countywide maps indicating minority populations.

A reported “lack” of Section 3 contractors was raised. HHVS works with our subrecipients to stress the importance of providing an award to a Section 3 contractor or subcontractor. We work diligently with our subrecipients to search for Section 3 contractors and/or subcontractors. Currently, our process is that during each bid process and in each bid document, the County and its subrecipients include information regarding Section 3 contractors or subcontractors and places great emphasis on the importance of hiring Section 3 businesses. In addition, we provide Section 3 information on our website. We are working with numerous vendors/purchasing agents/subrecipients/local advocacy groups throughout the County to discuss innovative ways to increase more interest in working with current Section 3 contractors/subcontractors as well as ways to certify new local Section 3 contractors.

(5) Neighborhood Stabilization Program (NSP3)

HHVS recognizes the expenditure deadline dates of 50% by March 2013 and 100% by March 2014.

Our office has been working extremely hard to meet the March 2013 deadline, but have recently realized that we will meet our 50% expenditures by April 2013, instead. Some unexpected barriers and home closing delays have contributed to our current situation. However, we feel extremely confident that we will meet our 100% commitment by March 2014.

Staff updated our progress in the Disaster Recovery Grant Reporting (DRGR) system on March 8, 2013. We have completed the acquisition of twelve (12) single family homes and hope to close on the thirteenth home very soon. We have drawn down \$1,216,802.79 and to date have spent \$1,449,696.65 (projects and administration combined). We estimate we are currently at 37% expended.

(6) **Community Development Block Grant – Recovery (CDBG-R)**

All funds have been drawn down, monitoring visits completed, and reimbursements to subrecipients made. The final report in the Federal Reporting System was made on January 10, 2013. Close out forms were FED EX'd to the CPD Miami Field Office on Wednesday, March 27, 2013.

(7) **Homelessness Prevention & Rapid Re-Housing Program (HPRP)**

Thank you for your kind words regarding the successful closing of HPRP and meeting our expenditure goal. We will continue to adhere to the regulations cited in your performance assessment letter, as well as the citizen participation plan.

(8) **Overall Evaluation and Conclusion**

We will make HUD's performance assessment letter and our response available to the general public through the County's website. We will also provide the same to the Independent Public Accountant.

HHVS has identified specific areas of training interests on the attached 2013 Training Survey from your office. Thank you for the opportunity to provide input.

In closing, we would like to thank you for your past support and recognize your continued support. We enjoy our working relationship with your organization. If you have any questions or need more information, please feel free to contact me.

Sincerely,



Kimberley Grant
Interim Director

Cc: Kristi Sonntag, HHVS
Elly Soto McKuen, HHVS

Finding/Concern Number	Grant Program	HUD Notice of Corrective Action	Response Due Date to HUD	Corrective Action Description	Action Required to Cure	Assigned Staff	Anticipated Completion Date	Update Status
Finding No. 1 CAPER Assessment	CDBG	5/14/2012	None	The recent extension of the County's HUD FY inadvertently caused greater than 15% of funds being designated for Public Services. Total coverage about was \$140,063.	Prepare substantial amendment to FY11-12 Action Plan to reduce public service funds by \$140,063. Publish public notice for comments in compliance with Citizen Participation Plan. Submit to HUD copies of advertisements and any other documentation to support reduction. NOTE: Working with HUD to determine best way to remedy. Action may be to do a substantial amendment to FY2012-2013 AP once AP is accepted by HUD Miami.	Margo Castorena	Pending HUD reply	Provided explanation to HUD Miami that based on information from TA Collier actually did not exceed the cap. Per HUD Miami request, Collier provided backup for their review. Briefly discussed with HUD Miami w/o 3/25; pending response.
Finding No. 1 Entitlement Compliance Monitoring	CDBG	5/21/2012	6/20/2012	Certain sub recipient agreements did not contain the proper records retention period and/or did not contain the provisions of 24 CFR Part 570 Subpart K.	Revise sub recipient agreement templates to (1) provide for proper number of years to meet record retention period and (2) include the required provisions of Subpart K. Submit revised templates to HUD. NOTE: CDBG template is being reworked now and should be completed and submitted to HUD with FY2012-13 Action Plan.	Therese Stanley	Resolved	All open agreements updated with proper language.
Finding No. 2 Entitlement Compliance Monitoring	CDBG	5/21/2012	6/20/2012	Monitoring procedures are not adequate. Specifically, no on site monitoring visits documented, no letters regarding monitoring sent, and sub recipients were not provided the outcome of the on site monitoring visit.	Review and, if applicable, revise, SOP 4-120 - CDBG Monitoring Procedures Overview. Prepare a monitoring schedule that reflects the dates for monitoring sub recipient. Submit schedule to HUD. NOTE: Monitoring schedule is being developed now; formal monitorings will begin in August 2012 and should be completed for all open CDBG & HOME agreements by 2/2013.	Ely Mickuen - Schedule; Rosa Munoz & Sandra Marrero Perform monitoring	Resolved	3/23/13 Since 9/1/12 there have been 27 monitoring visits by staff. Most were close out visits, but a few were mid year visits. HHVS has identified and scheduled all monitoring visits for the next year and identified them on a spreadsheet for each Grant Coordinator to place on their calendars.
Finding No. 1 Entitlement Compliance Monitoring	HOME	5/21/2012	6/20/2012	HOME Open Activities Report indicates two open activities in Final Draw over the required 120 days. Activity 308 - Esperanza Place is over 500 days. Activities 308, 390, and 392 have vacant units reported.	Prepare plan to reimburse \$99,653 of HOME funds from Non-Federal Funds and return to Line of Credit within one year. Plan to include assurances that when land is acquired, construction can be reasonably expected to commence within 12 months. Develop written steps to address these two issues. Establish a system to ensure routine reviews of HOME Open and Vacant Activities are completed. Update IDIS where needed. Submit documentation of completion to HUD. NOTE: #392: 1 unit occupied, 2d unit pending; #390: Renovations underway, 34 units total with 23 units occupied, #308: Pletting underway; road maintenance issues resolved; we expect 3 units to go vertical shortly.	Wendy Klop/Rosa Munoz	4/1/2013	3/23/13 3 houses have received CO, 2 of the homes will be closing on 3/25/13 and the 3rd home will close shortly after. 3rd house will receive SHIP down payment assistance and currently in the approval process within HHVS. Rosa and Wendy will be updating IDIS when HUD settlement statement comes in.

Finding/Concern Number	Grant Program	HUD Notice of Corrective Action	Response Due Date to HUD	Corrective Action Description	Action Required to Cure	Assigned Staff	Anticipated Completion Date	Update Status
Finding No. 2 Entitlement Compliance Monitoring	HOME	5/21/2012	6/20/2012	CHDO/Sub recipients were not monitored onsite for compliance and a formal response advising the final outcome of such monitoring was not prepared.	Review and, if applicable, revise, SOP HOME Monitoring Procedures Overview. Prepare a monitoring schedule that reflects the dates for monitoring sub recipient. Submit schedule to HUD. NOTE: Monitoring schedule is being developed now; formal monitorings will begin in August 2012 and should be completed for all open CDBG & HOME agreements by 2/2013.	Wendy Klopf - Schedule; Rosa Munoz & Sandra Marrero Perform monitoring	Resolved	Schedule in place.
Finding No. 3 Entitlement Compliance Monitoring	HOME	5/21/2012	6/20/2012	Agreement executed with CHDO lacked reference to 24 CFR 92.504(c)(3); specifically the Community Housing Development organization provisions are missing. One agreement with Florida Non-Profit Housing, Inc. lists "Immokalee Housing and Family Services" as the agency.	Revise agreement with CHDO and sub recipients to ensure that at least the minimum requirements are incorporated and applicable changes are made to the Florida Non-Profit Housing agreement. Revise agreement to Florida Non-Profit Housing, Inc. is correctly referenced. Submit revised and fully executed written agreements once available. NOTE: HHVS will begin revisions immediately. Action may require BCC amendment. HOME CHDO template is scheduled to be revised.	Sandra Marrero	Resolved	08/22/2012: SM has submitted proof amendment correcting error was approved on 2/28/2012. Copy of amendment has been forwarded to Noral Casal.
Finding No. 4 Entitlement Compliance Monitoring	HOME	5/21/2012	6/20/2012	County did not conduct a subsidy layering review on Big Cypress - Mainstreet Village	Ensure compliance with HHVS SOP Procedure 5-140 -HOME Subsidy Layering. Prepare subsidy layering review of Big Cypress - Mainstreet Village. Submit subsidy layering review report to HUD. NOTE: HHVS is gathering info and will conduct subsidy layering review.	Ely McKuen - research process; Rosa - complete review	5/1/2013	3/23/13 Ely McKuen has received TA and in process of researching Big Cypress file for determination of appropriate subsidy layering limits
Finding No. 5 Entitlement Compliance Monitoring	HOME	5/21/2012	6/20/2012	Florida Non-Profit Services received HOME CHDO set-aside and operating funds. Such funds were used to pay the salary of a secretary for Carl Kuehner, who is also President of a for-profit organization. This violated the CHDO certification.	HUD directs County to determine the amount of HOME CHDO set-aside and operating funds were expended in PY 2009 and reimburse its Line of Credit with Non-Federal funds. QUESTION: If the salary paid with HOME CHDO was for time/effort only for the benefit of the non-profit, must funds still be repaid? Or is this an acceptable use of HOME CHDO funds? NOTE: HHVS has documentation clearly documenting level of effort dedicated to CHDO activities and a clear audit trail. HHVS requests a HUD re-look at this item.	Kim Grant/Jennifer White/Kristi Sonntag	4/15/2013	3/23/13 Meeting set with Clerk's Office to address conflict of interest issue. HUD has provided TA, but has indicated this is a local issue that needs to be resolved internally.
Concern No. 1 Entitlement Compliance Monitoring	HOME	5/21/2012	6/20/2012	A HOME Deadline Compliance Report dated 3/31/2012 indicates the County is not making sufficient progress in committing funds to meet the 24-month commitment deadline. Based on the report the County is \$82,502 short.	Provide assurances that HOME funds can reasonably be committed within the 24 month deadline. Prepare written work plan that County will undertake to meet the August 31st deadline. Submit assurances and work plan to HUD. NOTE: Staff is working on this issue and will provide a work plan by date indicated.	Wendy Klopf & Nancy Mesa	Resolved	9/10/12: B Kubal, HUD TA provider as assisted HHVS in opening and funding eligible projects. CC not on listing.

Finding/Concern Number	Grant Program	HUD Notice of Corrective Action	Response Due Date to HUD	Corrective Action Description	Action Required to Cure	Assigned Staff	Anticipated Completion Date	Update Status
Finding No. 4 Open Findings Report	HOME	5/21/2012	6/20/2012	HOME Open Activities Report indicates that a final draw has been made but project completion information has not been input into IDIS for Activity 195 - CHDO Reserve/Cirrus Point.	Issue has been addressed in previous finding related to HOME Open Activities Report. Finding to remain open until all open findings related to open activities in final draw have been resolved. NOTE: HHVS has provided all documentation requested by HUD; as a grantee we cannot resolve this matter, only HUD can.	Klm Grant, Eilly McKuen	Resolved	3/23/13 HUD has notified HHVS that they returned \$320,000 to the Treasury from the FY12-13 funding year. HHVS also received a letter from HUD that since the money has been returned they no longer have an interest in the property. Staff feels this item has been resolved.
Finding No. 1 Entitlement Compliance Monitoring	ESG	5/21/2012	6/20/2012	Misclassification of line items from the Immokalee ESG agreement resulted in the County exceeding the essential services cap.	The County has previously submitted documentation and spreadsheet to show that adequate resources have been allocated to ensure ESG essential services are being provided from a variety of sources. The waiver request did not list enough information for HUD to make a determination. Prepare additional documentation to substantiate the 30% requirement or identify method of repayment for expenditures over the 30% threshold. Submit to HUD. NOTE: Staff is requesting files from storage and will work with our HUD rep to resolve what information in the original waiver was not provided.	Rosa Munoz	5/1/2013	Research completed, working with management on next steps to finalize resolution.
Finding No. 2 Entitlement Compliance Monitoring	ESG	5/21/2012	6/20/2012	The County reimbursed subrecipient Immokalee Friendship House for fringe benefits (insurance) for employees that did not work on the ESG program. ESG funds were used to pay for fringe benefits for a total of five (5) employees of which only two (2) were eligible.	Determine the amount expended for ineligible use and identify funding source of repayment, schedule for the repayment into the County's line of credit, and documentation describing the method of reimbursement. Submit to HUD. NOTE: Please see note above; these two items are related.	Wendy Klopf & Nancy Mesa	5/1/2013	Please see above; these items are related.