



**U.S. Department of Housing and Urban Development**  
Community Planning & Development Division  
Region IV, Miami Field Office  
Brickell Plaza Federal Building  
909 SE First Avenue, Room 500  
Miami, FL 33131-3042

March 19, 2014

Tom Henning  
Chair, Board of County Commissioners  
Collier County  
3299 Tamiami Trail East, #303  
Naples, Florida 34112

Subject: Annual Community Assessment  
Consolidated Annual Performance and Evaluation Report  
(CAPER) 2012 Program Year - CDBG, CDBG-R, HOME, ESG,  
HPRP and NSP Programs  
County of Collier

Dear Chair Henning:

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 \$2,004,496 in CDBG FY 2012 grant funds, and is commended on its performance in expending \$ 1,252,723.92 or 100% of its CDBG funds 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.*

[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)

The Financial Summary showed \$117,991 net expenditures for Public Services or 5.89% of the grant. The Financial summary also indicated \$131,512 net expenditures for planning and administrative costs or 6.56% 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 §24 CFR Part 570.201-6, and meet one of the three National Objectives established at §24CFR 570.208.

The County's housing assistance resulted in the completion of six (6) single family homes for low and moderate income families. In addition, the County's re-roofing project repaired and/or replaced 5 roofs for low and moderate income persons.

Economic Development activities also resulted in Collier County assisting 4 businesses; in addition, the County's Microenterprise program provided technical assistance to persons interested in opening Microenterprises of which 4 training classes were conducted with CDBG funds totaling \$44,134.81, and 30 participants graduating from the program.

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 2002 grant funds are not drawn down from the Line of Credit Control System (LOCCS) by the end of FY 2009, 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.

## HOME

The County received \$136,777 in HOME FY 2012 grant funds. Total disbursements during the year were \$1,322.81. Our evaluation of these accomplishments disclosed no concerns with respect to eligibility, income targeting, affordability, or match requirements.

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 2006 HOME funds will no longer be available to you after September 30, 2014. 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>

### **Emergency Shelter Grant (ESG) /Solutions**

The County received \$168,745 in ESG FY 2012 ESG grant funds. Our review determined that the County has committed \$168,536.71 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 68 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 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 2012:

**(1) Slow moving activities:**

A review of the County's PY 2007 through PY 2011 reporting (IDIS Report # RC04PR02) - List of activities by program year and project; in the Integrated Disbursement and information System (IDIS) are showing a number of old funded activities with large balances, no draws made, or activities incorrectly reported. It's recommended that the County, where appropriate, reprogram large balances or funds remaining from completed activities as soon as possible. By doing so, it will aid to avoid erroneous reporting and will assist the County in meeting the timeliness test. For additional information on the reporting requirements for the CAPER please visit the HUD website at:

[www.hud.gov/offices/cpd/about/conplan/idisrep.cfm](http://www.hud.gov/offices/cpd/about/conplan/idisrep.cfm)

**(2) Timeliness:**

The County did not meet the timeliness test on August 2, 2013 for the second consecutive year. An informal consultation was conducted on October 29, 2013, and a subsequent letter dated December 20, 2013 was sent to the County regarding HUD's decision to reduce the County's FY 2013 CDBG allocation by \$158,862. To date, the County has a balance in its line-of-credit of 2.30 times its annual grant. Accordingly, the County would be found to be in non-compliance with the timeliness standard if actions are not taken to spend an additional \$4,811,539.70 prior to the test date. We recommend the County complete a comprehensive workout plan with timetables and schedules to submit monthly until the next timeliness test is conducted on August 2, 2014. The County is encouraged to use the IDIS timeliness report as a helpful tool for keeping track of its drawdown progress.

**(3) HOME Commitments/disbursements- expenditures- red flags:**

The HOME Program Performance "SNAPSHOTS" are quarterly cumulative performance reports, which helps in the evaluation of the County's performance of HOME accomplishments. The most recent SNAPSHOT reveals that the County has 2 "Red Flags" which requires attention: 1) Percentage of renters below 50% of area median income and 2) Percentage of completed CHDO disbursements to all CHDO reservations. The County should review and update its HOME project activities to reflect current information of the County's HOME program performance and within 30 days from the date of this letter advise our Office of the corrections made.

**(4) Financial Audits**

The County's Audit report for the year ending FY 2012 was submitted timely. We performed a preliminary review of the report, and our office has made no determination as to compliance with the OMB Circular A-133 requirements. Our preliminary review showed that the County has open FAC Audit findings with the County's FY 2012 CDBG, and ARRA programs. A follow up letter will be sent to the County with more details on the audit 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)(1). 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/affinnative.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 the County's FY 2012 CAPER submission is currently under review. Once the review is completed it would be communicated under a separate cover letter.

## **Office of Public and Indian Housing (OPIH)**

The Office of Public Housing (OPIH) was also required to conduct an analysis of the County's FY 2012 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 (NSP-1) was authorized under the Housing and Economic Recovery Act (HERA) of 2008.

The County of Collier received \$7,306,755 in NSP-1 fiscal year 2009 grant funds and is commended on its performance in expending \$8,290,260 or 113.5% of its NSP-1 grant funds including any program income as of February 3, 2014 which assisted 86 households that benefited low, moderate, and middle income persons in the areas of greatest need.

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."

We are pleased to report that the County has met both the 100% NSP grant expenditure and the 25% for Low Income Households (LH25) set-aside expenditure requirements as of February 3, 2014. This performance exceeds Departmental standards.

### **Neighborhood Stabilization Program (NSP-3)**

The County of Collier received \$3,884,165 in NSP-3 fiscal year 2011 grant funds and has expended \$3,897,008.06 or 100.3% of its NSP3 grant funds including any program income as of March 11, 2014 which assisted 18 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.” As of March 11, 2014, the County has expended \$1,056,472.63 or 27.2% of its grant funds including any program income for Low Income Households (LH25).

The County is required to expend 100% of its NSP-3 funds within three years of the date that funds become available to the grantee for obligation, (Dodd-Frank Act). The County’s deadline date is March 11, 2014.

The County has met both the 100% NSP grant expenditure and the 25% for Low Income Households (LH25) set-aside expenditure requirements as of March 10, 2014. This performance exceeds Departmental standards.

The County reported that it received \$388,000 in program income (PI) as of March 12, 2014. 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.

Our review of the County’s Quarterly Progress Reports revealed that the County is in compliance with the timely submittal of Quarterly Progress Report (QPR’s) as of February 10, 2014.

### **Community Development Block Grant — Recovery (CDBG-R)**

The County of Collier received \$631,283 in CDBG-R fiscal year 2009 grant funds, and has expended \$614,716.73 or 97% of its CDBG-R funds. Though the grant has been closed out, please be reminded that the County remains subject to the recordkeeping and other requirements as follows:

- All records and documents pertaining to this grant will be maintained for a period of 4 years after execution of this closeout agreement or the period required by other applicable laws and regulations related to *affirmatively furthering fair housing-24 CFR 570.506 (g)(1)*, *Lead-Based Paint-Poisoning Prevention Act-24 CFR 570.608*, *Architectural Barriers Act and Americans with Disabilities Act-24 CFR 570.614*, and the Uniform Relocation Act 24 CFR 570.606.
- Any real property within Collier County's control, which was acquired or improved in whole or part using CDBG funds in excess of \$25,000 is governed by the principles described in 24 CFR 570.505.
- If any rehabilitated property falls within a flood plain, flood insurance coverage must be maintained for the mandatory period for affected property owners.
- Identify any closeout costs or contingent liabilities subject to payment after the closeout agreement is signed.
- Submit to HUD a Federal Financial Report using Standard Form 425 upon the completion of the final audit and resolution of any finding. HUD maintains the right to conduct future monitoring of this grant, either on site or by review of information or copies of documents.

### **Homelessness Prevention & Rapid Re-housing Program (HPRP)**

The County received \$ \$888,850.00 in HPRP fiscal year 2009 grant funds, and is commended on your performance in meeting 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, NSP, HPRP, HOME, and ESG 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 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.

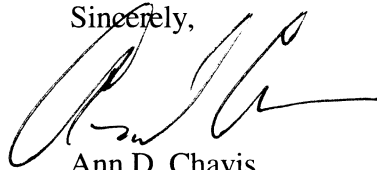
It is also recommended that the County retain this assessment letter and make it available to its Independent Public Accountant (IPA).

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.

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 Nora E. Casal, Community Planning and Development Representative at (305) 520-5009, or via email message at: [nora.e.casal@hud.gov](mailto:nora.e.casal@hud.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Ann D. Chavis', with a long horizontal flourish extending to the right.

Ann D. Chavis  
Director

Community Planning and Development Division

Cc: ✓ Ms. Kimberley Grant, MBA, Interim Director  
Housing and Human Services Department  
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/](http://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>.*

## 2014 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 April 4, 2014, and either email or fax it to your CPD Representative or to John Quade, CPD Representative at [john.f.quade@hud.gov](mailto: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): \_\_\_\_\_

\*\*\*\*\*