



U. S. Department of Housing and Urban Development
Jacksonville Field Office
Charles Bennett Federal Building
400 West Bay Street
Suite 1015
Jacksonville, Florida 32202-4439

March 17, 2015

Honorable Rick Kriseman
Mayor of St. Petersburg
175 Fifth St. N.
St. Petersburg, FL 33731

Dear Mayor Kriseman:

SUBJECT: Annual Community Assessment
Community Development Programs
Program Year 2013 - October 1, 2013 to September 30, 2014
City of St. Petersburg, Florida

The Jacksonville HUD CPD Field Office is required to make an annual determination that The City of St. Petersburg is in compliance with the statutes that govern the CDBG program; and has the capacity to implement and administer the programs for which assistance is received under its HUD approved Consolidated Plan.

The Consolidated Plan and Action Plan provide a blueprint of meeting the milestones needed to improve the communities and lives of the citizens being served by the grantee.

This Annual Community Assessment is an evaluation of the City's progress in meeting the statutory goals of providing decent housing in a suitable living environment; while expanding economic opportunity which are identified as objectives in the Consolidated Plan.

The Annual Community Assessment provides a solid foundation for HUD CPD representatives and grantees to work on achieving housing and community development objectives. One critical outcome of this collaboration will be the development of a more comprehensive Consolidated Plan for the following grant funding term.

Section I: SUMMARY OF CONSOLIDATED PLAN/ACTION PLAN REVIEW AND ASSESSMENT

The City's programs and activities are consistent with the needs and objectives detailed in the five year Consolidated Plan and Annual Action Plan. The City continues to provide their citizens adequate services for homeowner-occupied housing rehabilitation, public services and public facility improvements with CDBG funding.

The HUD Field Office recently completed the Annual Community Assessment for The City of St. Petersburg. The City was allocated \$1,613,306 CDBG funds for program year of (PY) 2013. The *HUD's mission is to create strong, sustainable, inclusive communities and quality, affordable homes for all.*

information provided by the City has addressed the needs identified in the five-year Consolidated Plan. The CDBG funds were dedicated to activities consistent with the Consolidated Plan and Action Plan objectives. The City successfully leveraged private and state resources to meet the needs identified in the 2013 - 2014 Action Plan.

The City demonstrated its accomplishments and efforts throughout the 2013 program year consistent with the National Affordable Housing Act to address its identified needs. Areas of significant program accomplishments are identified below.

Section II: SUMMARY OF PERFORMANCE

Performance Measures:

As part of the President's Management Agenda, HUD's Office of Community Planning and Development, through Notice CPD 03-09, encouraged grantees to develop and use a state or local performance measurement system. This system measures productivity and program impact. Additional guidance regarding this initiative found at page 11475 of the March 7, 2006 Federal Register, Part III. Notice of Outcome Performance Measurement System for Community Development Formula Grant Programs, mandates that grantees enter the required performance measurement data into IDIS by the fall of 2006. The City appears to be in compliance with this mandated performance measurement system reporting requirement for entering data into IDIS in this year's CAPER.

Community Development Block Grant (CDBG) Program:

CDBG funds were used for administration, nuisance abatement, youth services, property acquisition, public services, public facilities and infrastructure.

On October 31, 2011, the Inspector General for the U. S. Department of Housing and Urban Development issued an audit that found that the CDBG program needed to increase its use of the Integrated Disbursement and Information System (IDIS) to improve oversight of CDBG activities. The audit particularly focused on the need to improve oversight of long-standing open activities, cancelled activities with draws and draws revised from one activity to another. As part of its response to the audit, the CDBG program has implemented changes in IDIS 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. The implementation of the IDIS PR59 CDBG Activities at Risk Dashboard Report provides data from the new IDIS system that will flag activities that are at risk of becoming non-compliant. The HUD Field Office will work with the jurisdiction to resolve any issues so the activities may move forward to completion. There are several action items that need to be resolved on the PR-59; your CPD representative will inform you of the appropriate steps to resolve the issues.

Timely expenditure of CDBG funds continues to be a priority of the Department. The City of St. Petersburg did meet the timeliness standard of no more than 1.5 grant years in the line of credit as of 60 days prior to program year end for the 2014 program year. As per the July 31, 2014 timeliness standard test the Grantee was at 0.59 in compliance with the requirement. At the time of this letter, the line of credit balance is \$1,590,819.00 with a ratio of 1.19. This is immensely lower than the level (1.83 for March) it should be at this time in the program year. We encourage the City to continue with the timely expenditures of HUD CDBG fund to meet the timeliness standard for 2014. To meet the 2014 timeliness test the City will need to draw down and expend \$0.00 by July 31, 2015.

HOME Program:

HOME funds were primarily used for the funding of affordable housing programs and projects during program year 2013. The funds were allocated to development of housing units, and down payment assistance.

A review was conducted of various available IDIS and HUD web-based reports and the following evaluations were made.

HUD's web-based HOME Deadline Compliance Status report reflects the City was in compliance with meeting the October 31, 2014 deadlines for 2009 disbursements and 2012 Commitments and CHDO reservation requirements. As of the date of this letter the report for meeting the September 30, 2015 deadlines reflects the City has 97.40% of its 2013 Commitment along with 23.97% of the 2013 CHDO commitments, 100% of the 2010 Disbursements by the October 31, 2015 deadline.

The HOME Deadline Compliance report indicates that the City has a shortfall of \$749,231; these funds must be committed by 09/30/2015. Please take the appropriate actions to stay in compliance before the deadline of September 30, 2015. We encourage the City to maintain monitoring of its commitments and disbursements to ensure its progress in administering its HOME program and meeting future 2015 deadlines.

Prior notification was provided that beginning with HOME funds appropriated in 2002, unexpended balances will be automatically deobligated and returned to Treasury. The importance of drawing down old funds to clear out the program year balances to avoid recapture of funds was also conveyed. The deadline for expending 2008 funds will be September 2015. Monthly reports showing progress on the commitment of HOME funds are available on the HUD web site located at <http://www.hud.gov/offices/cpd/affordablehousing/reports/>.

The HOME final rule at 24 CFR 92.502(d)(1) requires Participating Jurisdictions (PJ's) to enter project completion data into IDIS within 120 days of making a final draw for a project. At the time of this letter the HOME PJ's Open Activities Report of February 26, 2015] indicates no activities with a final draw date in excess of the 120 day requirement with 100% of funds drawn. The City is encouraged to continue its review efforts of this report and pursue the necessary actions to resolve any report deficiencies, if applicable.

Please be mindful of any projects that have been open for three or more years. Any project older than four years is subject to be deobligated.

Another useful report the City should review on a regular basis is the quarterly HOME Performance SNAPSHOT Report. This report provides an overview of the City's HOME program progress in relation to other local PJ's through a ranking system. The most recent report available as of December 31, 2014 reflects no red flag indicators.

The City is encouraged to monitor this report for the most recent status and pursue any actions necessary to resolve any reported deficiencies, if applicable.

The information provided in the Home Matching Liability Report (IDIS C04PR33) conveys that the City has met the HOME program match requirement. HOME administration and planning funds were spent within the applicable limits in compliance with 24 CFR Part 92.207.

Emergency Solutions Grant (ESG) Program:

The ESG program is designed to identify sheltered and unsheltered homeless persons, as well as those at risk of homelessness, and provide the services necessary to help those persons quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act) amended the McKinney-Vento Homeless Assistance Act, including major revisions to the Emergency Shelter Grants program by consolidating three of the separate homeless assistance programs administered by HUD under the McKinney-Vento Homeless Assistance Act into a single grant program, and revises the Emergency Shelter Grants program and renames it as the Emergency Solutions Grants (ESG) program (HESG). On August 22, 2013 CPD Notice 13-06 was issued to provide guidance for completing the ESG portions of the Consolidated Annual Performance and Evaluation Report (CAPER) using the IDIS system, on completing homelessness-related portions of the CAPER, which is relevant for all States, local governments, and territories that receive ESG, CDBG, HOME, and/or Housing Opportunities for Persons With AIDS (HOPWA) formula funding (referred to collectively in the notice as Consolidated Plan (Con Plan) jurisdictions. The ESG Program interim rule substantially changed the required reporting elements for the ESG program and strengthened the homelessness elements of the CAPER that apply to all Con Plan jurisdictions. The revised regulation requires HESG recipients to complete and enter data into the May 2012 released IDIS eCon Planning Suite electronic submission tool and recipients are required to use the ESG-only portion of the CAPER template in IDIS beginning October 1, 2012, regardless of whether an approved Consolidated or Annual Action Plan has been submitted in IDIS and submit the ESG component with its CAPER. The County complied with the revised regulation and notice submission requirements.

The City was allocated \$114,190 of HESG funds for program year 2013. The City is dedicating these funds toward homeless prevention, rapid re-housing, data collection and administration. These funds must be obligated, except for the amount for administrative costs, within 180 days after HUD signs the grant agreement and expended within 24 months of grant agreement. The City is also required to match these funds with an equal amount of funds from cash or the following in-kind sources: new staff or volunteer time, the donation of materials and buildings, or the value of any lease on a building.

The IDIS ESG Financial Summary Report (PR91) was established to allow the HESG recipient to analyze the administration of their Emergency Solutions Grants program. The report provides a summary of commitment, disbursement, and program compliance by fiscal year. As of the date of this letter the report was reviewed for compliance with the regulatory requirements. HESG administration funds were identified in the report as being spent within the applicable 7.5% limit in compliance with 24 CFR 576.108.

For more information about ESG, please visit: www.hudhre.info/hearth to view a copy of the McKinney-Vento Homeless Assistance Act, as amended by the Homeless Emergency and Rapid Transition to Housing Act of 2009 (HEARTH), or to read the amended ESG regulations.

Consolidated Annual Performance and Evaluation Report “CAPER” Submission:

The City was in compliance with 24 CFR 91.520(a) for submission of the Consolidated Annual Performance and Evaluation Report “CAPER” to HUD within 90 days after the close of the jurisdictions program year.

Untimely submission could result in HUD suspending funding until a satisfactory report is submitted, or may withdraw and reallocate funding if HUD determines, after notice and opportunity for a hearing, that the jurisdiction will not submit a satisfactory report. However, the City's CAPER submission was found to be satisfactory, therefore, no further action is required.

Audit:

The City appears to be in compliance with the submission requirements of the Federal Single Audit Act of 1996, the Florida Single Audit Act and related OMB Circular A-133 for fiscal year ended September 30, 2013. No findings are noted pertaining to HUD CPD program compliance issues regarding the City's CDBG programs for program year ending September 30, 2013.

IDIS

The Integrated Disbursements Information System (IDIS) is HUD's primary record keeping and reporting system and is used for reports to Congress and other parties. It is imperative that these reports reflect accurate and complete data. HUD offers online web base training and materials for IDIS that may promote further improvements in reporting capacity. Please visit HUD's website at <http://www.hud.gov/offices/cpd/systems/idis/training/> to access these tools to correct any deficiency that may be noted within this assessment or that may have been transmitted to the City by this office during this annual assessment process.

CPD Notice 12-009 Use of the Integrated Disbursement and Information System (IDIS) to submit the Consolidated Plan describes changes to the Consolidated Plan, within current statutory and regulatory provisions, for a new process for electronic submission for jurisdictions/grantees receiving formula grants that include required Con Plan, Annual Action Plan and CAPER templates. Grantees submitting Consolidated Plans on or after November 15, 2012 are required to use IDIS to submit these plans and all subsequent Annual Action Plans. Grantees that are not required to submit a new Consolidated Plan will be permitted, but not required, to use IDIS to prepare and submit Annual Action Plans in the system beginning May 7, 2012. All jurisdictions may use IDIS to prepare and submit CAPERs in IDIS after May 7, 2012, but only after they have an approved Annual Action Plan in the system.

Affirmatively Further Fair Housing:

Our Fair Housing and Equal Opportunity Division has been provided a copy of the City's CAPER for review and additional comments may be provided under separate cover. We encourage you to contact the FHEO representative identified in the review, should you have any questions or concerns.

OVERALL EVALUATION

The Annual Community Assessment review indicates that The City of St. Petersburg's overall progress is satisfactory. The City continues to demonstrate sound leadership and administrative oversight of its HUD-funded programs. This determination is based upon information available to our Office and does not reflect a comprehensive evaluation of specific activities being carried out by the City.

Pursuant to 24 CFR § 91.525 if you disagree with the enclosed Annual Community Assessment you may submit comments and or justification of your contrasting views within 30 days of receipt of this letter. If we do not receive comments within the 30 day time frame this report will be considered final and should be made available to the public.

If there are any questions, please do not hesitate to contact me or your Community Planning and Development Representative, Larry T. Hayes at 904 208-6072, or email at larry.t.hayes@hud.gov.

Very sincerely yours,


For Gary Causey, Director
Community Planning and Development
Division, 4HD

cc:

Gary G. Cornwell
City Administrator