



U.S. Department of Housing and Urban Development
Columbus Field Office
Office of Community Planning and Development
200 North High Street
Columbus, Ohio 43215-2499

April 10, 2021

Mr. Michael Keys
Director, Department of Community Development
City of Warren
258 East Market Street, Suite 305
Warren, OH 44481

Dear Mr. Keys:

SUBJECT: FY-2020 Consolidated Plan -- End-of-Year Community Assessment

Under the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, HUD is charged with making a formal determination at least once a year that each grant recipient is in compliance with the statutes and has the capacity to continue implementing and administering the programs for which grants have been provided. This letter reports the results of our evaluation of your subject Program Year.

The End-of-Year Assessment is based on our review of the Consolidated Annual Performance and Evaluation Report (CAPER) for the Community Development Block Grant (CDBG) Program and the Home Investment Partnership (HOME) Program. We also considered any audits performed on your programs and monitoring results.

OVERALL OBSERVATIONS

Our assessment included reviews of your consolidated planning process, management of grant funds, progress in carrying out your policies/program activities, compliance with program requirements, accuracy of performance reports, and accomplishments in meeting Departmental objectives.

Your community continues to perform in a timely manner, meeting program thresholds for CDBG obligations and expenditures, including program progress, planning and administration, and public service. In addition, benefits to low- and moderate-income (LMI) persons exceed HUD's 70 percent requirements.

Our review of status reports for the HOME Program reveals the consortium is meeting the requirements of the HOME Program for the commitment and expenditure of funds, as well as reservation of funds to Community Housing Development Organizations (CHDO's). The HOME Program Snapshot report for the period ending September 30, 2019, shows that the consortium ranks 1st in the State in one category and 19 of 22 overall when compared to the other HOME Participating Jurisdictions in Ohio. We want to commend the consortium for the performance under the HOME Program. The September 30, 2019 report is the last Snapshot available due to pandemic circumstances. There are no known HOME issues for the City of Warren.

CAPER REVIEW

As you know, a large part of our Annual End-of-Year Assessment consists of reviewing your CAPER, and we have detailed that review in this letter. Progress is assessed by conducting an Overall Progress and an Annual Progress Review.

The Overall Progress Review determines the number of years of funds that remain unspent as of the end of the Program Year. As of December 31, 2020, your unexpended balance was \$1,689,997. Based on the FY-2020 grant amount of \$1,193,387, this unexpended balance is equal to 1.416 years of funding. Therefore, your overall progress was within the acceptable standard of 1.5 years or less.

The Annual Progress Review examines expenditures made in the Program Year (\$898,180) as compared to the grant (\$1,193,387). This computation results in an expenditure level of 75.26 percent. The acceptable rate for annual progress is 50 percent or more. Therefore, the grantee was in compliance with the annual progress standard.

A review of public service expenditures is necessary to ensure that the grantee is within the 15 percent statutory limit. Based on our review, the public service expenditures of \$72,652 (5.6 percent) are below the allowable cap of \$195,244. Therefore, the grantee was within the 15-percent limit.

The CAPER includes a detailed discussion of the Section 108 funds and program income that affected the PR26 this year. This old Section 108 loan is due within two years, but new guidelines require even old Section 108 loans to be tracked in IDIS. To that end, the City of Warren worked with the headquarters Section 108 office to correctly document the only Warren Section 108 loan. Once funds dedicated to the Section 108 program are removed from the calculation, the projected program income of \$83,953 and the actual program income of \$108,240.50 differed by less than \$25,000. Because the anticipated non-Section 108 program income and the actual non-Section 108 program income differed by less than \$25,000, no additional explanation as to why the program income was actually higher than anticipated is necessary; however, the City of Warren did note the main reason for the difference was that two revolving loans were paid in full in 2019, though they were not anticipated to be collected in that fiscal year.

The primary reason for reviewing the planning and administrative expenditures is to determine if the expenditures are within the 20-percent statutory limitation as mandated in 24 CFR 570.200(g). The planning and administrative expenditures of \$251,323 (20 percent) were at the 20-percent allowable cap of \$251,323. While the expenditures are within the statutory limitation, the city should be cautious as should the cap be exceeded, repayment of funds to the program may be required.

This review also determines if you have met the HUD requirement of using at least 70 percent of CDBG funds for activities benefiting LMI persons. The amount expended that qualified as LMI benefit was \$480,880, which results in 100 percent of your overall expenditures (\$480,880 of 2020 funds) being utilized for LMI persons.

The PR-26 exclusively for the CV grants was also reviewed for summary of resources, summary of expenditures, low/mod benefit, public service calculation, and the planning and administration cap. All aspects of the PR-26 CV reporting appear correct and in compliance at this point in time.

A review of eligibility and national objective compliance was also conducted by analyzing and comparing data on IDIS Report PR26. It appears that the community was in compliance with applicable regulations regarding eligibility and national objectives.

COMMENTS

Our Office of Fair Housing and Equal Opportunity (FHEO) has noted The City of Warren CAPER demonstrated efforts to meet its Affirmatively Further Fair Housing (AFFH) certification. The City continued to provide funding allocation for fair housing activities and services during FY 2020. The Fair Housing Outreach Program is in place with educational materials distributed at public events, to various agencies and organizations, and at a number of distribution points within the jurisdiction. Furthermore, programs and activities funded with federal assistance from the Department benefitted persons covered by civil rights laws. Please be reminded that the City is to report activities undertaken to address impediments identified in its AI study. Impediments are: (1) increasing fair housing training and outreach opportunities, (2) reducing historic and institutional segregation; (3) increasing the supply of accessible and affordable house for those persons with disabilities; and, (4) establishing a baseline to track impediments for fair housing choice to AFFH.

CONCLUSION

Based on information currently available to us, we have determined that you have the capacity to continue implementing and administering your Consolidated Plan program activities in accordance with the applicable statutory requirements. As a result of this comprehensive analysis, we have determined that your overall progress is satisfactory, and your CAPER is acceptable.

PUBLIC ACCESS

If you have comments regarding this Year End Assessment, please submit them to this office within 30 days of the date of this letter. If necessary, we may revise our report after considering your views. This assessment must be made readily available to the public no later than 30 days after our receipt of your comments. We encourage your dissemination of this report to interested persons. In particular, we request this report be provided to your independent auditor currently conducting an audit to meet requirements of the Single Audit Act, or at the commencement of the next audit if this year's audit is completed. HUD will also make this information available to the public upon request.

If you have any questions, please contact Ms. Sondra King, Senior Community Planning and Development (CPD) Representative, at (614) 280-6109.

Sincerely,



Matthew LaMantia, Director
Office of Community Planning and Development