U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Little Rock Field Office, Region VI
Office of Community Planning and Development
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Little Rock, AR 72201
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November 8, 2016

Mr. Don Hancock
Community Development Director
City of Springdale
201 North Spring
Springdale, AR 72764

Dear Mr. Hancock:

We have completed our review of the City of Springdale's Consolidated Annual Performance and Evaluation Report (CAPER), which covers the period January 1, 2015 through June 30, 2016. The enclosed report conveys to you the results of our review and assessment of the City's performance in the administration of its Community Development Block Grant (CDBG) Program during this period.

This review was made in conformance with the requirements of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, which provides that the Secretary of the U. S. Department of Housing and Urban Development (HUD) will make an annual assessment of the grantee's capacity to continue to administer HUD-funded programs. We are hopeful that, in addition to meeting Departmental mandates, this review and assessment will provide a basis for working together as partners to help you achieve your housing and community development goals.

It is our assessment that the City has met its CDBG performance goals and objectives for the 2015 program year, and has a continuing capacity to timely and effectively administer its HUD-funded program. We congratulate the City on its many accomplishments during the past year and look forward to working with you during the upcoming program year. If you have questions regarding the results of our review, please contact me on (501) 918-5739, or Rhonda Shannon, Community Planning and Development Representative, on (501) 918-5732.

Sincerely,

Clinton E. Johnson, Director
Community Planning and Development

Enclosures

cc:
Honorable Doug Sprouse, Mayor

City of Springdale, Arkansas
Annual Community Assessment
For the Period of January 1, 2015 through June 30, 2016

The U.S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD) is required to make an annual comprehensive performance assessment of HUD-sponsored CPD formula grant programs in accordance with HUD's Consolidated Plan regulations (24 CFR 91.525). Additionally, the Secretary of HUD must determine that the grant recipient is in compliance with the implementing statutes and regulations and has the continuing capacity to implement and administer the programs for which assistance is received.

This assessment meets the mandates of the statutes and provides a basis for working in partnership to help the City of Springdale achieve housing and community development goals listed in the City's Consolidated Plan and subsequent Annual Action Plans. CPD's overall evaluation of the City's performance during the 2015 Program Year is based on documents and reports submitted by the City, including the City's Consolidated Annual Performance and Evaluation Report (CAPER).

Evaluation by HUD

HUD shall review the performance report and determine whether it is satisfactory. If a satisfactory report is not submitted in a timely manner, HUD may suspend 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.

Grantee Performance Reports

Regulation 24 CFR 91.520 requires each jurisdiction that has an approved Consolidated Plan to annually review and report on the progress it has made in carrying out its strategic plan and its Action Plan. The performance report must include a description of the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted (including the racial and ethnic status of persons assisted), actions taken to affirmatively further fair housing, and other actions indicated in the strategic plan and the Action Plan. This report must be submitted to HUD within 90 days after the close of the grantee's program year.

In supplying year-end information to HUD, grantees will submit details of specific activities undertaken and accomplishments achieved through the Integrated Disbursement and Information System (IDIS). In addition to IDIS reports, other required reporting components include Narrative Statements, Additional Program Narratives, and Supplemental Information, including maps and graphics.

Timely and accurate performance reporting by grantees to HUD meets three basic purposes: (1) it provides HUD with necessary information for the Department to meet its statutory requirements to assess each grantee's ability to carry out relevant CPD Programs in compliance with all applicable rules and regulations; (2) it provides information for HUD's Annual Report to Congress, also statutorily mandated; and (3) it provides grantees an opportunity to describe to citizens their successes in revitalizing deteriorated neighborhoods and meeting objectives stipulated in their Consolidated Plan.

CAPER Requirements

Required Narrative Statements

The narrative statements provide a summary of the grantee's overall progress in meeting local priorities and goals during the program year and describe the status of the annual actions taken to address specific needs under the Consolidated Plan. The required narratives cover the following areas: Assessment of Strategic Plan Goals and Objectives; Affirmatively Furthering Fair Housing; Affordable Housing; Continuum of Care; Other Actions; Leveraging Resources; Citizen Comments; and Self-Evaluation.

A number of program narratives are required in addition to those identified above. These additional narratives address specific program-related concerns. Other special program-related narratives are also required when certain activities are carried out during the program year.

Citizen Participation

In accordance with Regulation 24 CFR 91.105, the performance report must be made available to citizens for review and comment at least 15 days prior to submission to HUD.

Summary of Assessment

It appears that the City has met or exceeded the goals of the 2015 Consolidated Plan. In addition, all of the activities described in the City's CAPER are viewed as contributing substantially to meeting the statutory primary objectives of the CDBG Program and thus improving the living environment for citizens of the community. We commend the City for the creative ways it has leveraged CDBG funds into meaningful accomplishments by working with public and private partners. Overall, the City has made good use of available resources and has conducted its activities in a manner designed to primarily benefit low and moderate-income persons to fulfill the community development objectives stated in the City's Consolidated Plan and Annual Action Plans.

The City is in conformance with HUD's citizen participation requirements. The availability of the City's CAPER was published in the local newspaper on September 4, 2016, and copies were made available to the public for review. The advertisement explained the 2015 report and gave information on the comment period. The City did not report receiving any comments from the public on this report.

Meeting HUD's timeliness standard for expenditure of funds is a major concern for the Department and a concerted effort is being made to reduce the number of untimely grantees. Grantees failing to meet the regulatory standard for timeliness will be subject to having their grants reduced in amounts corresponding to the amount by which they fail to meet the HUD standard. HUD Regulations state that there should be no more than 1.5 times the annual grant remaining in the line of credit at 60 days prior to the end of the program year. The City is commended for meeting HUD's timeliness standard during this reporting period. Based on the 60-day drawdown ratio, the City's ratio of timeliness for expending CDBG funds as of November 1, 2014 was at 0.51, which is well below the allowable 1.5 ratio. Accordingly, the City is on schedule as far as meeting the standard for the current program year.

We congratulate the City on its many accomplishments during the past year on achieving Departmental objectives and addressing the goals outlined in the City's Consolidated Plan/Annual Action Plan. The City has met and exceeded the regulatory requirement of expending at least 70 percent of CDBG funds for activities that principally benefit low and moderate-income persons, and has operated the program within the regulatory limitation of 20 percent of CDBG funds for planning and administration and 15 percent for public services. The City's timely submission of reports to HUD is appreciated.

Conclusion

Based on our review of the City's CAPER and other available information, all required CAPER elements have been submitted in a timely manner and mandatory reporting requirements have been met. It appears that the City of Springdale's CDBG Program is being carried out as proposed in the City's approved 2015 Consolidated Plan and is in compliance with HUD Regulations. The City's performance is viewed as good and the City is determined to have the continuing capacity to administer the CDBG Program in accordance with applicable Federal requirements.

Grantee Review and Comment Period

In accordance with Consolidated Plan Regulation 24 CFR 91.525(b), grantees have 30 days in which to review and comment on HUD's review of the CAPER. HUD may revise the report after considering a grantee's views and shall make the report, the grantee's comments, and any revisions available to the public, upon request, within 30 days after receipt of such comments.