

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Greensboro Office
Office of Community Planning & Development
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December 16, 2022

Timothy Salmon, City Manager
City of Goldsboro
P O Drawer A
Goldsboro, NC 27533-9701

Dear Mr. Salmon:

Each year the Department of Housing and Urban Development (HUD) assesses the performance of formula grantees that receive community planning and development funds. In preparing these assessments, we use information from the grantee's Consolidated Annual Performance & Evaluation report (CAPER), the integrated Drawdown & Information System (IDIS) and management review reports.

Preparing the CAPER provides grantees the opportunity to report outcomes and performance in meeting goals contained in the annual action plan and multi-year consolidated plan. HUD reviews programs for eligibility, national objectives, low/moderate income benefit, progress towards goals and compliance with additional requirements. We base the annual assessment of the community planning and development (CPD) program performance on the CAPER submitted for the program year ending June 30, 2022, and current IDIS and DRGR reports.

Please review the assessment and send us any comments within 30 days from the date of this letter. After the 30-day comment period, Goldsboro is also responsible for making the final assessment available to the public.

We look forward to continuing to work with Goldsboro to accomplish its community development and affordable housing goals. Please contact Sonya Green at Sonya.V.Green@hud.gov, if we can be of any assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew T. King", written over a circular scribble.

Matthew T. King, Ph.D.
Director
Office of Community Planning & Development

Enclosure

Cc: Felecia Williams, Community Relations & Development Director

**ANNUAL COMMUNITY ASSESSMENT OF CPD PROGRAM PERFORMANCE
2021 CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT**

GRANTEE: City of Goldsboro
PROGRAM YEAR: 2021
REPORT PREPARED BY: Sonya Green
DATE REVIEW COMPLETED: 12/16/2022

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) & CDBG CV

Eligibility & National Objective Requirements

CDBG activities must be eligible based on regulations and must meet one of three national objectives:

- serve low/moderate income people;
- prevent or eliminate slums and blight;
- meet other urgent community development needs.

In addition, CDBG CV funds must be used to prepare for, prevent, or respond to coronavirus. Our review raised no questions about eligibility and national objectives.

To meet the primary objective of the CDBG program, at least 70% of all annual expenditures must benefit low/moderate income people. This requirement applies to expenditure of CDBG entitlement and CV funds. Goldsboro used 100% of its entitlement expenditures and 0% of its CDBG-CV expenditures for this purpose for the 2021 Program Year. (The low/moderate income percentage for Goldsboro's CDBG CV funds is attributed to the fact that no funds were drawn from the CDBG CV line of credit during the 2021 Program Year). Goldsboro's entitlement funds have a two-year certification which allows the requirement to be met cumulatively for Program Year 2021 and 2022. The CDBG-CV funds must meet this requirement based on the overall total CDBG-CV funds expended at the end of the CDBG CV period of performance. Thus far, Goldsboro has used 100% of its CDBG CV funds for low/mod income activities.

CDBG recipients are limited to using no more than 20% of the most recent grant plus 20% of program income on planning and administrative costs. Goldsboro did not exceed the Planning and Administrative cap as it used 0% of entitlement grant funds plus program income and 7.27% CDBG CV grant funds for these costs. Goldsboro did not exceed the 15% public service cap as it used 0% for Public Service activities.

Timeliness

CDBG regulations require that grantees disburse funds timely. Grantees are considered timely if they have no more than the equivalent of 1.5 times the most recent grant in their U.S. Treasury account 60 days prior to the end of the program year. The City of Goldsboro has a July 1st Program Year Start Date. When the 60-day test was conducted on May 2, 2022, the City of Goldsboro was met the CDBG program timely performance requirements in that it had an adjusted line of credit balance of 1.45 times its annual grant. Goldsboro must spend an additional \$338,390 between now and May 2, 2023, to pass the test for the 2022 Program Year.

On August 20, 2020, the United States Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD) published its implementation notice for CDBG-CV (F.R. 85 51457). Section III.B.7 of the Notice established a six-year period of performance on CDBG-CV grants and imposed an "alternative requirement that each grantee must expend at least 80 percent of all CDBG-CV funds... no later than the end of the third year of the period of performance established by the CDBG-CV grant agreement." Currently, your CDBG-CV grant is under target for meeting the 80 percent expended at three years. Your jurisdiction's CDBG-CV status:

80% Spend Deadline:
Percent of CDBG-CV Expended as of the date of this letter

09/10/2023
7.27%

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

(The reports referred to in this section, with further detail available in IDIS reports, can be found at <https://www.hudexchange.info/programs/home/home-activities-reports/>).

On August 27, 2018, HUD issued Notice CPD 18-10 making changes with respect to HOME program commitment and expenditure requirements (see <https://files.hudexchange.info/resources/documents/Notice-CPD-18-10-Suspension-or-24-Month-HOME-Commitment-Requirements-for-Deadlines-Occurring-in-2016-2017-2018-2019-and-2020.pdf>). While HUD will not enforce the 24-month commitment requirement for funds in the participating jurisdiction's (PJ) HOME Investment Trust Fund local account for deadlines occurring in 2016-2020, the HOME regulation at §92.503(d), which requires the PJ to commit funds in its local HOME account at the beginning of its program year before committing funds in its HOME Treasury account, remains in effect.

The HOME program has strict commitment and spending requirements. Funds must be committed to specific projects within two years of receipt and spent in five. In addition, 15% of funds must be committed to projects that are developed, owned, or sponsored by community housing development organizations (CHDOs). Although the Appropriations Act suspended the 24-month commitment deadline, it did not suspend the CHDO reservation requirement, the HOME expenditure deadline requirement, and the expiration of HOME grant statutory and regulatory requirement. Goldsboro's program has been meeting these requirements.

HOME Open Activities: The HOME regulations require that activities be completed within 120 days of final draw. HUD's open activity report indicates that Goldsboro has two (2) activities for which funds have been fully drawn but that have not been closed in the system.

HOME Vacant Units: IDIS allows the units to be entered initially as vacant because HUD understands that it usually takes some time to construct then lease up new apartment buildings. However, it is expected that the actual household information be entered in IDIS within a year of project completion. The IDIS vacant unit report indicates that Goldsboro has no vacant units.

CPD PROGRAM MONITORING

Grantees have the obligation to monitor activities funded with CDBG, HOME, and ESG funds for progress and compliance. This oversight responsibility extends to the activities of subrecipients that use federal funds on the city's behalf, contract management and regular reviews of HOME-assisted rental units during the period of affordability. Goldsboro has a CDBG monitoring system in place for its subrecipients, and staff conducted monitoring reviews for its CDBG subrecipient activities during the 2021 Program Year. However, Goldsboro staff did not conduct monitoring reviews for its HOME-assisted rental units during the 2021 Program Year. Goldsboro staff should continue to update its processes and systems to resolve the 11 findings from HUD's 2022 CDBG monitoring review.