

## ANNUAL COMMUNITY ASSESSMENT OF CPD PROGRAM PERFORMANCE 2020 CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT

GRANTEE: City of Goldsboro  
PROGRAM YEAR: 2020  
REPORT PREPARED BY: Sonya Green  
DATE REVIEW COMPLETED: December 7, 2021

### COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

In order 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 98.24% of its entitlement expenditures and 0% of its CDBG-CV expenditures for this purpose for Program Year 2020. Goldsboro's entitlement funds have a two-year certification which allows the requirement to be met cumulatively for Program Year 2020 and 2021. The CDBG-CV funds must meet this requirement based on the overall total CDBG-CV funds expended

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.

Our review raised no questions about eligibility and national objectives.

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 was under this cap and used 17.67% of grant funds plus program income for these costs for the 2020 Program Year. CDBG recipients must also adhere to the 20% *origin year* planning and administrative cap for all years in which funds were expended during the 2020 Program Year. Goldsboro did not meet this cap as IDIS reports indicate that 30.73% of 2019 Program Year funds were expended on planning and administrative costs. In response to CPD staff inquiry concerning this issue, Goldsboro staff indicated that grant funds were inadvertently drawn from the PY 2019 grant. To correct this issue, Goldsboro will need to return the grant funds that were drawn incorrectly from the PY2019 grant. The funds will need to come from non-federal funds. Once the funds are returned and IDIS is updated, the city can redraw the correct amount from the PY2020 grant.

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. In Goldsboro's case, this test is applied on May 2 of each year. Although there was a programmatic waiver for meeting the timeliness requirement in Program Year 2020, the city did meet the spending requirement on May 2, 2021. As the timeliness waiver has expired, Goldsboro must spend an additional \$31,037 between now and May 2, 2022 in order to pass the test for the 2021 Program Year.

CDBG regulations require that the CAPER be submitted within 90 days of the end of the Grantee's program year. Goldsboro's program year ends June 30<sup>th</sup>; therefore, the CAPER submission deadline is September 28<sup>th</sup> each year. Goldsboro's 2020 CAPER did not meet this requirement.

### 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.

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.

The HOME program has strict commitment and spending requirements. Funds must be committed to specific projects within two years of receipt (waived for Program Year 2020 funds) 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). Goldsboro's program has met these requirements for Program Year 2020. However, it is noted that Goldsboro has yet to reserve \$32,290.80 in 2019 grant year CHDO funds.

**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's has three activities in IDIS which have an extended number of days from the last draw that have not been closed in the system (Activity #684 – 457 days, #687 – 229 days, and #691 – 219 days). Goldsboro staff should review these activities and close them in IDIS as applicable.

**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 funds for progress and compliance. This oversight responsibility extends to the activities of subrecipients that use federal funds on the City's behalf and contract management. Goldsboro has an effective system in place to monitor its projects.