



**U. S. Department of Housing and Urban Development**

Knoxville Field Office, Region IV  
John J. Duncan Federal Building  
710 Locust Street, Suite 300  
Knoxville, Tennessee 37902-2526

November 23, 2016

Jim Vazquez, Administrator  
Shelby County Department of Housing  
1075 Mullins Station Road  
Memphis, TN 38134

Dear Mr. Vazquez:

**SUBJECT: Annual Performance Assessment Letter and Report**  
Shelby County, Tennessee  
Program Year 2015: July 1, 2015, to June 30, 2016

The Office of Community Planning and Development (CPD) is required to assess the performance of each of its grant recipients at least annually. The review is the result of an ongoing process that assesses the quality of a grantee's performance over a period of time involving continuous communication and evaluation.

In conducting this assessment pursuant to Section 91.525, this Office assessed whether the County's management of its program funds is in compliance with the U. S. Department of Housing and Urban Development's (HUD) approved consolidated plan and its regulations. The scope of this analysis includes a review of the Consolidated Annual Performance and Evaluation Report (CAPER) for the past program year, as well as information obtained through program monitoring and audits. Also, this Office assessed whether progress has been made towards the regulatory goals identified in Section 91.1 of the consolidated plan regulations. In addition, the assessment included a review your jurisdiction's efforts to ensure that housing assisted under our programs is in compliance with contractual agreements and requirements of law.

The CAPER was distributed to the Memphis Field Office Director's Office and other program offices for review and comments. The Office of Fair Housing and Equal Opportunity (FHEO) reviewed the CAPER and recommended its approval.

Based on this analysis, this Office has determined that Shelby County's overall progress is acceptable. The activities undertaken are consistent with the HUD-approved Consolidated Plan, and appear to be carried out in accordance with program requirements. The County has the continuing capacity to administer applicable CPD programs/housing initiatives.

In accordance with 24 CFR Section 91.525, if you have comments regarding this enclosed report, please submit them to this Office within 30 days of receipt of this letter. HUD may revise the report after considering your response. If we do not receive comments within the 30-day time period, this report will be considered final and can be made available to the public.

May we take this opportunity to remind you that the Minority Business Enterprise (MBE) Report is due each year within 10 days of September 30<sup>th</sup>. Also, as a reminder, the Section 3 report is due the same time as the CAPER, 90 days after the end of program year. Please check and verify the receipt of Section 3 reports (Form HUD 60002) in the Section 3 Performance Evaluation and Registry System (SPEARS) for program years 2013, 2014 and 2015. The SPEARS User Registration Guide can be found at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=spearsuserregguide.pdf>

We also request your continued efforts to expend grant funds and enter progress and accomplishments data in a frequent and timely manner. Also, the Department will continue to provide a range of training opportunities on Affirmatively Furthering Fair Housing (AFFH) and its requirements. A number of resources on AFFH and the Final Rule can be found at:

[https://www.huduser.gov/portal/affht\\_pt.html](https://www.huduser.gov/portal/affht_pt.html)

We continue to appreciate the positive working relationship that you and your staff maintain with this CPD Office. We look forward to continuing to support your jurisdiction's efforts meeting the goals in the Consolidated Plan, including assisting your residents with housing and other community development needs. In addition, this Office looks forward to assisting Shelby County as it begins to administer the National Disaster Resilience (NDR) grant which was awarded to Shelby County during the program year in the amount of \$60,445,163. The grant agreement process is forthcoming.

If you have any questions with respect to the enclosed comments or need technical assistance, please do not hesitate to contact Judi Rose, Senior CPD Representative, at (865) 474-8250 or me at (865) 474-8225.

Very sincerely yours,



For Mary C. Wilson, Director  
Office of Community Planning  
and Development

Enclosure

cc:

Honorable Mark H. Luttrell, Jr., Mayor of Shelby County

**Annual Performance Assessment  
Shelby County, Tennessee  
Program Year 2015**

**Consolidated Annual Performance and Evaluation Report (CAPER)**

Program Year End: June 30, 2016  
Report Due: September 30, 2016  
Report Received: September 29, 2016

Funding Covered by CAPER:

Community Development Block Grant (CDBG):	\$ 1,076,137
HOME Investment Partnerships Program: (HOME)	\$ 276,826
Community Development Block Grant Disaster Recovery (CDBG-DR):	\$11,203,430
Neighborhood Stabilization Program – (NSP1)	\$ 2,752,708

**Summary of Program Compliance**

**CDBG Program**

- Timeliness of Expenditures [24 CFR 570.902]: Acceptable

Test date: 05/02/16  
Balance: \$1,356,356.55  
Ratio: 1.26

The CAPER indicated that 93.85 percent of the CDBG funds expended during the reporting period benefited LMI persons either through direct benefit activities or activities benefiting low/mod areas.

**Neighborhood Stabilization Program (NSP) 1 (B-08-UN-47-0001)**

Amount Awarded: \$2,752,708.00  
Amount Expended: \$2,828,279.81  
Program Income: \$274,433.24  
Balance: \$56,440.48

**CDBG-DR (B-10-UF-47-0001)**

Amount Awarded: \$3,739,430.00  
Amount Obligated: \$3,739,430.00  
Amount Expended: \$2,867,574.21  
Balance: \$871,55.79  
Percent of Grant Disbursed: 76.68%

**CDBG-DR (B-13-US-47-0001)**

Amount Awarded: \$7,464,000.00

Amount Obligated: \$7,464,000.00

Amount Expended: \$7,464,000.00

Balance: 0

Percent of Grant Disbursed: 100%

NOTE: All funds awarded for the 2013 CDBG-DR grant award were expended by the deadline of 01/13/2016. The grant is pending closeout.

**Continuum of Care Program**

Amount awarded in 2015: \$6,716,531-Memphis/Shelby County

**HOME Program**

- HOME 2014 Commitments [24 CFR 92.500(d)(1)(B)]: Acceptable

2015 HOME Allocation: \$276,826

Expenditure Deadline: 7/31/2016

Expenditure Requirement: \$8,417,124

Amount Expended: \$8,642,136

- HOME 2011 Expenditures [24 CFR 92.500(d)(1)(C)]: Acceptable

2015 HOME Allocation: \$276,826

Expenditure Deadline: 06/30/2016

Expenditure Requirement: \$7,600,066

Amount Expended: \$8,468,856

- HOME PJs Open Activities [24 CFR 92.502(d)(1)]: Acceptable

Number of open activities exceeding standard: 0

- HOME Match [24 CFR 92.218(a)]: Acceptable

Match Requirement: \$85,460 (25%)

Match Reported: \$460,453

Excess Match: \$374,993

**Other Department Programs/Designations**

Accomplishments and outcomes for most goals during the program year exceeded expectations. Within the goal to reduce the harmful affection of lead-based paint, the Shelby County Department of Housing completed 20 lead-safe units utilizing CDBG funds (doubling the

expected outcome). The public services activity directed towards fair housing assisted 120 households, exceeding the Annual Plan goal by 30 households.

### Other Program Requirements

- Regulatory Caps

Regulatory Caps: (Program regulations limit the amount of funds that can be expended on certain activities. For example, for HOME Community Housing Development Organization (CHDO) set-aside, the regulation establishes a minimum amount that must be committed to CHDO Activities). See below:

	Standard	Regulatory Requirement	Actual Expenditures	Actual Percentage
CDBG Public Service Obligations	<15% of Allocation (or dollar amount)	570.201(e)(1) or (2)	\$ 54,356.73	4.55%
CDBG Planning/Admin Expenditures/ plus PI	<20% of Allocation	570.200(g)	\$168,954.65	15.17%
HOME Administration	<10% of Allocation	92.207	\$ 6,993.94	2.52%
HOME CHDO Reserve	>15% of Allocation	92.300(a)	\$0	0%

- Monitoring/Audit

Open Monitoring Findings: Acceptable

Number of Open Monitoring Findings: 0

Open Audit Findings: Acceptable

Number of Open Audit Findings: 0