



U.S. Department of Housing and Urban
Development

Phoenix Field Office
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www.hud.gov/arizona.html

DEC 16 2011



Honorable W.J. "Jim" Lane
Mayor City of Scottsdale
3939 N. Drinkwater Boulevard
Scottsdale, AZ 85251

Dear Mayor Lane:

SUBJECT: City of Scottsdale, Arizona
Annual Community Assessment
Program Year 2010 (July 1, 2010 through June 30, 2011)

The Office of Community Planning and Development has completed its annual review of Scottsdale's Consolidated Annual Performance and Evaluation Report (CAPER) for program year (PY) 2010. This review is done to evaluate the management of funds made available under programs administered by HUD and compliance with the City's 2010-2014 Consolidated Plan. It also allows us an opportunity to observe the City's progress in meeting the goals of its Consolidated Plan and the extent to which it is preserving and developing decent, safe, affordable housing, creating a suitable living environment, and expanding economic opportunities for low and moderate-income people

The City of Scottsdale is the recipient of HUD's Community Development Block Grant (CDBG) entitlement program. The City was awarded \$1,261,676 in CDBG funds for PY 2010, had a carryover of \$1,250,334 from the prior year and \$22,184 in program income for a total of \$2,534,194. The City expended \$956,126 in CDBG funds during the program year, which left an unexpended balance of \$1,578,067. Even though the City had a year-end balance, it complied with HUD's timelessness requirement. Although the City is not a Participating Jurisdiction in the HOME program, it is a participant in the Maricopa HOME Consortium. Through the Consortium, the City received a 2010 allocation of HOME funds of \$361,921. These funds will be used to acquire and/or rehabilitate single family homes for low to moderate income families within the City of Scottsdale.

In addition to using funds from the two entitlement programs, the City received a CDBG-R grant in the amount of \$158,906 from the Reinvestment Act of 2009 (ARRA). These funds were used to do a City park improvement and all funds have been expended before the statutory deadline.

Our review of Scottsdale's CAPER, shows that the City has complied with eligibility and national objective requirements of the CDBG program. All of Scottsdale's

funded activities principally benefited low-and moderate-income residents. The City's activities were also consistent with its goals and objectives identified in its 2010-2014 Consolidated Plan and PY 2010 Annual Action Plan. Staff continues to demonstrate their ability to implement the City's HUD programs in accordance with federal requirements. Our review of the Consolidated Annual Performance and Evaluation Report (CAPER) and other available information, confirms that the City has the continuing capacity to administer its HUD programs.

As we transitioned into the 2010-2011 program year, new challenges were presented that require the utmost attention by City officials and staff. The significant rise in home foreclosures, a rising budget deficit, the failure of many of our lending institutions and the resultant strain on our economy have been testing our resolve in this new year. New strategies and strong alliances will be needed to address the use of the City's existing entitlement funds as well as new Federal funding resources that are currently being readied for this effort. We appreciate and are very encouraged by the actions taken by City staff these past few months to coordinate the utilization and implementation of the new the American Recovery and Reinvestment Act funds. We are available should you require our assistance and look forward to continuing our partnership with the City of Scottsdale.

Finally, we thank Scottsdale for maintaining its partnership with HUD, a partnership that continues to produce meaningful housing and community development results. If you have any questions, please do not hesitate to contact me, or your Community Planning and Development Representative, David Uhler, at (602) 379-7174.

Sincerely,



Maria Cremer
Acting Director,
Community Planning
and Development Division

cc: David Richert
City Manager