



U.S. Department of Housing and Urban Development
San Francisco Regional Office – Region IX
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San Francisco, CA 94104-4430
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March 16, 2021

The Honorable David D. Ortega
Mayor of Scottsdale
3939 N Drinkwater Blvd.
Scottsdale, AZ 85251-4433

Dear Mayor Ortega:

SUBJECT: Annual Performance Assessment
Community Development Block Grant Program
Program Year: 2019: July 1, 2019 – June 30, 2020

The U.S. Department of Housing and Urban Development (HUD) Office of Community Planning and Development (CPD) assesses the performance of its grant recipients on an annual basis. This letter conveys the results of this evaluation for the 2019 program year.

A principal report utilized by CPD to assess performance is the Consolidated Annual Performance and Evaluation Report (CAPER), submitted by grant recipients within 90 days of the completion of each Program Year. The CAPER provides important information on the use of Community Development Block Grant (CDBG) funds in meeting specific housing and community development goals and addressing the needs of the homeless, as identified in the grantee's five-year Consolidated Plan and Annual Action Plan. Additionally, this performance assessment takes into consideration information collected from other financial and performance reports, correspondence, and monitoring reports.

Program Year 2019 (PY 2019) marked the fifth and final year of the city's 2015-2019 Consolidated Plan. HUD's review of the City of Scottsdale's CAPER shows that the city complied with CDBG national objectives and eligibility program requirements. The city's Consolidated Plan established its five-year goals to benefit low- and moderate-income residents by 1) preserving and expanding affordable housing inventory; 2) supporting programming for its underserved populations; and 3) providing public services that are available and accessible to populations with special needs.

Despite the challenges posed by the Coronavirus pandemic, the City of Scottsdale achieved many of its goals identified in its annual action plan. The activities listed below highlight some of the city's notable accomplishments in PY 2019. Through the CDBG program, the city serviced a total of 638 households with CDBG funds that included 578 extremely low-income households, 58 low-income and 2 moderate-income households being served. Also, the City provided affordable housing services for 64 homeless households and 665 non-homeless households through rental assistance programs and supported 71 households with rehabilitation assistance.

In addition, the City of Scottsdale, in its efforts to assist low-income persons and families avoid becoming homeless and improve their quality of life, provided funding assistance to non-profit service providers that service Scottsdale's youth, seniors, special needs populations,

victims of domestic violence, persons and families in crisis, and disabled persons. By connecting people to these service providers, the City provided: 1) access to basic needs; 2) prevention assistance through intake and referral; 3) assisted with emergency rent and mortgage assistance; and 4) emergency utility assistance.

Also, based on available information as presented from the City's CAPER and the Integrated Disbursement and Information System (IDIS) reports, the enclosed report demonstrates that in program year 2019, the City of Scottsdale complied with certain regulatory requirements for the CDBG program. The City of Scottsdale reported that 100 percent of CDBG funds expended in program year 2019 were directed to serving low and moderate-income persons, which exceeds the threshold requirement that 70 percent of funds are used for that purpose. CDBG program requirements also limit the amount of funds obligated for public services to 15 percent or less, and 20 percent or less for administration and planning. The enclosed report shows the City's public services obligation was 12.37 percent and administration and planning obligations was 19.67 percent, both of which met the regulatory requirements.

Finally, CDBG program regulations require HUD to perform a timeliness test 60 days before the grantee's program year-end to determine if the city met the timely expenditure requirement of expending CDBG funds in a timely manner. The amount of CDBG funds on hand 60 days prior to the end of the program year may not exceed 1.5 times the annual allocation. A snapshot review of Scottsdale's expenditures taken on May 2, 2020 showed the City met this requirement for the 2019 program year with a balance of 0.51 times its annual allocation.

Based on this analysis, HUD has determined that the City of Scottsdale has the continuing capacity to administer the aforementioned programs. The activities undertaken are consistent with the City of Scottsdale's HUD-approved Consolidated Plan, and the City continues to make progress in meeting its housing and community development goals.

In accordance with the Consolidated Plan regulations described at 24 CFR Section 91.525, if the City of Scottsdale has comments regarding this enclosed report please submit them to this office within 30 days of receipt of this letter. This office may revise the report after considering the City of Scottsdale's response. If HUD does not receive comments within the 30-day time period, this letter and enclosed report will be considered final and can be made available to the public.

This Office appreciates the partnership with the City of Scottsdale staff and looks forward to continuing to support the City's efforts to meet the goals of the Consolidated Plan. If there are any questions or if there is a request for technical assistance, please do not hesitate to contact Mr. Ra'Chel'Ni Mar'Na, Community Planning and Development Representative at Rachelni.R.Marna@hud.gov.

Sincerely,

KIMBERLY

NASH

Kimberly Nash

Director

Community Planning and

Development Division

Digitally signed by: KIMBERLY NASH
DN: CN = KIMBERLY NASH C = US
O = U.S. Government OU =
Department of Housing and Urban
Development, Office of Administration
Date: 2021.03.16 17:07:25 -07'00'

Enclosure

cc:

Jim Thompson, City Manager

Irma Hollamby, Community Assistance Office Manager

Annual Performance Assessment
City of Scottsdale Program Year 2019

Consolidated Annual Performance and Evaluation Report (CAPER)

Program Year End: June 30, 2020
 Report Due: December 31, 2020
 Report Received: February 4, 2021

Funding Covered by CAPER: 2019 Program Year
 CDBG: \$ 1,161,843.00

Summary of Program Compliance

Community Development Block Grant Program (CDBG)

- Public Services Obligation [24 CFR Section 570.201(e)(1) or (2)]
 - Standard: <15% of Allocation plus Program Income received in prior year
 - Actual %: 12.37 %
 - Obligated as reported in CAPER: \$153,055.78
- Administration & Planning
 - Expenditure [24CFR Section 570.200(g)(1)]
 - Standard: <20% of Origin Year Allocation excluding Program Income
 - Actual %: 19.67 %
 - Expenditure as reported in CAPER: \$262,378.36
 - Obligation [24CFR Section 570.200(g)(2)]
 - Standard: <20% of Allocation plus Program Income received in current year
 - Actual %: 14.25 %
 - Obligated as reported in CAPER: \$668,617.47
- Benefit to Low to Moderate-Income Persons [24 CFR Section 570.200(a)(3)]
 - Standard: At least 70% of the aggregate amount of CDBG funds received by the recipient shall be used for activities that benefit low- and moderate-income persons as reported in the CAPER.
 - Actual %: 100 %
- Timeliness of Expenditures [24 CFR Section 570.902]
 - Standard: The regulations require that 60 days before the end of the program year, the (city/county) have no more than the equivalent of 1 ½ years-worth of CDBG grant funds available in its U.S. Treasury account. A ratio at or below 1.50 is acceptable.
 - Actual ratio: 0.51
 - Balance: \$597,575.35

