



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Community Planning & Development  
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Mr. Kelley Coures  
Executive Director  
Department of Metropolitan Development  
Civic Center Complex, Room 302  
306 Civic Center Complex  
One NW Martin Luther King Jr. Boulevard  
Evansville, IN 47708-1833

OCT 31 2018

Dear Mr. Coures:

SUBJECT: Consolidated End-of-Year Review  
Program Year 2017  
City of Evansville, Indiana

RECEIVED

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METROPOLITAN DEVELOPMENT  
EVANSVILLE, IN

HUD's Office of Community Planning and Development has sought to establish partnerships with units of local government. The focus of our partnerships has been to work with these units of local government to ensure that our efforts result in housing, urban and community development programs and policies that benefit and serve low and moderate-income persons. These efforts must transpire within the guidelines of the congressional statutes we jointly administer, as well as the regulations and emerging policies that are designed to improve program performance and measure compliance.

The provisions of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require the annual submission of performance reports by grant recipients receiving federal assistance through programs covered under these Acts. Additionally, these Acts require that a determination be made by the Secretary that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

Traditionally, these determinations were made through the review of annual reports submitted by grantees for each individual program receiving assistance. With the implementation of the Consolidated Planning Regulations of January 5, 1995, the Department makes a comprehensive performance review of your overall progress at least annually, as

required by the statutes and Section 91.525 of the regulations. The review consists of analyzing your consolidated planning process; reviewing management of funds; determining the progress made in carrying out your policies and programs; determining the compliance of funded activities with statutory and regulatory requirements; determining the accuracy of required performance reports; as well as evaluating your accomplishments in meeting key Departmental objectives.

This assessment not only meets the mandates of the statutes, but it also provides a basis for the Community Planning and Development Indianapolis Field Office to work with each grantee to achieve HUD goals. For the basis of this letter, a critical outcome of this collaboration should be the development of a more comprehensive, effective and concise Consolidated Annual Performance Evaluation Report (CAPER) and improved performance in achieving specific goals that correspond to the activities outlined in both three- to five-year Strategic Plan and annual Action Plans.

### **Community Development Block Grant**

For Program Year 2017, HUD allocated to the City of Evansville, \$2,412,918 in Community Development Block Grant (CDBG) funding. The city expended \$2,935,115.60 of CDBG including funds carried forward from prior years during the 2017 program year. For Program Year 2017, the City of Evansville was compliant with HUD regulations in management of its CDBG program. The city committed 13.58 percent of its CDBG allocation to public services, which is below the statutory limit, and 1.54 percent of its CDBG allocation to planning and administrative expenses, which is also below the administrative and planning cap. Obligations for public services and for planning and administration are limited to 15 percent and 20 percent, respectively. The City of Evansville invested 88.3 percent of its award in activities that primarily benefit low- and moderate-income persons. The city certified in its Annual Action Plan that it would invest at a minimum 70 percent of its cumulative CDBG allocation during the reporting period in activities that primarily benefit people with low and moderate incomes.

The CDBG regulations at 24 CFR 570.902(a) performance standards state that no more than 1.5 grant years of funds should be remaining sixty days prior to the end of a grant year. The City Evansville's Line of Credit balance met the standard sixty days prior to the beginning of the 2018 program year representing .77 grant years of unexpended funds.

### **HOME Investment Partnership Program**

For Program Year 2017, HUD allocated \$520,500 in HOME Investment Partnerships Program funding to the City of Evansville. The city maintains a present

balance of \$1,585,783. This balance represents 3.05 years of unexpended funds. The City achieved compliance with all HOME commitment and expenditure requirements. No units are listed on HUD's report of vacant units, and no activities have been listed in final-draw status for more than 120 days.

Additionally, the HOME regulations at 24 CFR 92.218 require that each participating jurisdiction make grant matching contributions not less than 25 percent of the funds drawn from the jurisdiction's HOME Investment Trust Fund Treasury account in that fiscal year. The HOME program also allows for match reductions when communities meet defined fiscal distress criteria. Evansville qualified for a 100 percent match reduction for fiscal year 2017.

### **Emergency Solutions Grant (ESG)**

The ESG program provides funding to: (1) engage homeless individuals and families living on the street through outreach; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families/individuals from becoming homeless.

Regulations for the ESG are located at the Stewart B. McKinney Homeless Assistance Act of 1987, Title IV, Subtitle B, as amended (42 U.S.C. 11371 et seq.) Regulations: 24 CFR Part 576. The ESG program requires that grantees expend no more than 7.5 percent of ESG funds on administrative costs; and not to exceed sixty percent (60%) for shelter and street outreach. The City of Evansville reports to have targeted program funds for Rapid Re-housing, Street Outreach and Emergency Shelter.

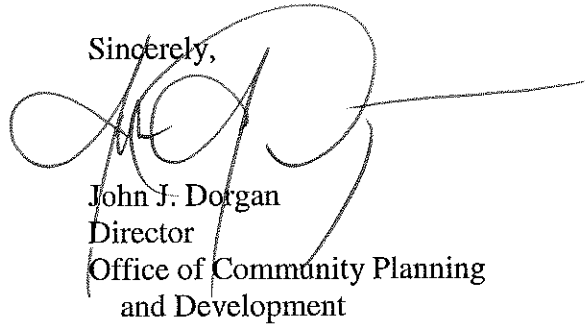
Based on the review of the performance report and IDIS PR91 report, the HESG program funds have been utilized for activities that are eligible as set forth under program guidelines. The percentage of HESG funds allocated and expended on administrative costs was 6.81 percent; subsequently in compliance with the maximum 7.5 percent cap. The city allocated funds under the Rapid Re-housing program allocating \$73,629 or 33.37 percent of the formula total. The investment of Program funds during the 2017 year included \$105,200 (47.68%) to shelter agencies and \$11,800 (5.35%) for street outreach.

The review of IDIS PR91 indicates, Evansville disbursed \$195,619.60 corresponding to program eligible activities. It was determined 47.68 percent of the total committed under shelter activity and 5.35 percent of total committed for street outreach activity was disbursed. The city maintains a remaining HESG funds balance for draw in the amount of \$25,009.40. Evansville reports a satisfactory amount in meeting the 50 percent match requirement based on the HESG award.

In accordance with Part 91.525 (b) of the Consolidated Plan regulations, you have 30 days from the date of this correspondence to review and comment on this performance assessment. This letter and any revisions that are made as a result of your comments should be made available to the public for review within 30 days of your comments.

Should you have any questions concerning this review of the year-end report, please contact Andrew Houge, Community Planning and Development representative, at 317-957-7393. He may also be contacted by e-mail at: [andrew.w.houge@hud.gov](mailto:andrew.w.houge@hud.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Dorgan", is written over the typed name and title. The signature is stylized with large loops and a long horizontal stroke extending to the right.

John J. Dorgan  
Director  
Office of Community Planning  
and Development