

# U. S. Department of Housing and Urban Development



Community Planning and Development

Region VIII, Denver  
1670 Broadway Street  
Denver, Colorado 80202-4801

Phone: 303-672-5414  
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October 8, 2015

Mr. Norman Wright  
Director of Neighborhood Services  
Adams County  
4430 South Adams County Parkway - Suite W6202  
Brighton, CO 80601

Dear Mr. Wright:

Community Planning and Development (CPD) is striving to strengthen its working relationship with our State and local government partners to help achieve greater results in meeting the housing and community development needs of our low- and moderate-income customers. One of our important responsibilities in this ongoing process is the periodic assessment of your accomplishments and performance in the administration of funds provided by CPD and in meeting key program and Departmental objectives, as mandated by the statutes governing these programs.

This review examines information provided by Adams County for its 2014 program year. In conducting this assessment, we examine your activities for consistency with the priorities and objectives outlined in the Consolidated Plan and Annual Action Plan. We use the information contained in the Consolidated Annual Performance and Evaluation Report (CAPER), and the Integrated Disbursement Information System (IDIS) as well as any monitoring reviews conducted during the course of the program year.

Our assessment report that is enclosed covers the following areas:

- Meeting the statutory purposes of the programs.
- Consistency with strategies and goals in the Consolidated Plan and Annual Action Plan
- Performance Measures
- Timeliness
- Caps on Obligations – CDBG-Administration, Public Service; HOME-CHDO, Administration; ESG-funding.
- IDIS

Adams County does have several issues to resolve for program year 2014, and we do have an ESG finding:

**FINDING #1 – PY2013 Street Outreach/Shelter Limit Exceeded** - PY2013 Street Outreach/Shelter activities were at \$86,179 or 75.41 percent of the current grant amount of \$117,589 as of September 24, 2015.

Based upon our analysis and examination of the data available to us, we have determined that Adams County's overall progress has been slow during the most recent program year. Adams County appears to continue to be barely administering its programs in a manner consistent with the applicable regulatory requirements. This office will continue to work closely with the new county key staff and provide technical assistance as needed to ensure future program compliance.

You have the opportunity to provide us with your review and comment on the draft Annual Community Assessment. Please provide any review and comment within 30 days of the date of this letter except where noted in the enclosed assessment. We may revise the Assessment after considering your views. If we do not receive any response by the end of the 30-day period, the draft Annual Community Assessment will become final without further notice.

The final Annual Community Assessment must be made readily available to the public. You can assist us in this regard by sharing the final Annual Community Assessment with the media, with a mailing list of interested persons, with members of your advisory committee, or with those who attended hearings or meetings. You must also provide a copy of the final Annual Community Assessment to your independent public auditor. HUD will make the final Annual Community Assessment available to the public upon request and may provide copies to interested citizens and groups.

If you have any questions, please do not hesitate to contact me or Mrs. Judy Padgett, Senior Community Planning and Development Representative. We can be reached at (303) 672-5414.

Sincerely,



Aaron B. Gagné  
Director

Enclosure

## ANNUAL COMMUNITY ASSESSMENT

**JURISDICTION - Adams County**

**PROGRAM YEAR START - March 1**

**PERIOD COVERED BY ASSESSMENT – March 1, 2014 – February 28, 2015**

HUD is required to conduct an annual review of performance by grant recipients according to the provisions of the Housing and Community Development Act and the National Affordable Housing Act. We must determine that each recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. This is to report the results of our review of the 2014 program year (PY) performance by Adams County.

### **Part I. Summary of Consolidated Plan/Action Plan Review and Assessment**

Despite the turnover in all key staff, Adams County is working to meet the primary objective of the Community Development Block Grant (CDBG) Program which is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, not less than 70 percent of the aggregate of the Federal assistance shall be used for the support of activities that benefit persons of low- and moderate-income (LMI). While there was very little activity in PY2014, according the PR-26 Financial Summary, the county expended 100 percent of the Federal funds in the current program year benefited low- and moderate-income persons.

We found that the projects funded in the current program year are consistent with strategies and goals in the Consolidated Plan and Annual Action Plan. The Consolidated Plan provided for three priority outcomes of housing, special needs, and community development. However, we have questioned one activity that we are working through with Adams County. The description of the sidewalk replacement uses the term “repair and replace” and CDBG does not allow for repairs as this is maintenance. If the activity turns out to be just repairs we will issue a finding at that time, requiring the County to reimburse its line of credit with non-federal funds. We do believe that it really is a matter of “correct wording” as the remainder of the narrative seems to indicate that the County put in ADA accessible pedestrian ramps on street corners, which is eligible.

The Consolidated Annual Performance Evaluation Report (CAPER) did discuss the annual accomplishments and cumulative accomplishments this year. However, once again, we would encourage Adams County to include narratives describing:

- Worst-case needs;
- Barriers to affordable housing;
- Public housing and resident initiatives;
- Whether the County met its annual goals;
- Whether the county pursued all resources, requested certifications of consistency and did not hinder implementation of Consolidated Plan;

- Results of HOME on-site inspections, specifically whether any completed rental units were inspected annually by the county, the outcome of the inspections, or how often HOME units are inspected in accordance with 24 CFR § 92.504(d) which specifies that inspections must be done no less than every 3 years; and
- HOME Match requirements for PY2014 rather than PY2013.

We are working with Adams County to bring these narratives up to par for the current CAPER, but also request that Adams County ensures future CAPERs address the required topics.

## **Part II. Summary of Grantee Performance**

### Community Development Block Grant (CDBG)

The regulations require that sixty days prior to the end of the grantee's current program year, the amount of entitlement grant funds available but undisbursed by the U.S. Treasury be no more than 1.5 times the entitlement grant amount for the current program year. The county has a current ratio of 1.96. This means that Adams County must draw down at the very least \$743,965 by January 1, 2016 in order to meet timeliness requirement of 1.5 set at 24 CFR 570.902(a)(i). Because Adams County did not meet the timeliness requirement last year it is imperative that it meet it this year in order to avoid deobligation of funds. The current monthly workout plan specifies that it is confident that it will be able to draw this amount by January as it has several activities ready to draw funds, even though it only drew down \$98,000 plus in September.

The county is limited to 20 percent of CDBG grant funds and current year's program income for administrative expenses at 24 CFR § 570.200(g). According to figures from the Integrated Disbursement and Information System (IDIS) PR03 CDBG Activity Summary and the PR26 Financial Summary, we calculated that the County obligated 19.92 percent of grant funds for administration. Likewise, public service obligations are limited to 15 percent of grant funds and prior year program income. These same reports demonstrate that Public Service obligations were 1.78 percent, well within the 15 percent limit stated in 24 CFR § 570.201(e) (1).

### HOME Investment Partnerships Program (HOME)

The HOME regulation at 24 CFR § 92.500(d)(1)(b) and (c) respectively requires that each program year's allocation be committed to eligible activities within 24 months and expended within 5 years of the grant award. We are happy to report that the HOME Deadline Compliance Status Report reveals that Adams County has met all deadlines for Commitments, CHDO Reservations, and Expenditure of HOME funds. However, because of the "grant based accounting" change, it is important that the County pay attention to the funds that remain uncommitted from previous years as the PR27-Status of HOME Grants reveals there are funds as far back as 2009 that remain uncommitted and undrawn. For instance:

- The year 2009 is 81.9 percent committed with \$206,697 remaining to commit and draw;
- The year 2011 is 97.8 percent committed with \$16,734.79 remaining to commit; and
- The year 2012 is 97.1 percent committed with \$18,679 remaining to commit.

The PR27 Report indicates that Adams County committed \$92,717.24 or 8.99 percent of the HOME allocation plus program income (\$120,469.13) to administration meeting the regulatory cap at 24 CFR § 92.207 for administration.

HOME regulations at 24 CFR § 92.281(a) also require that match contributions must total not less than 25 percent of the funds drawn from the jurisdiction’s HOME investment Trust Fund Treasury account in that fiscal year. As mentioned above, the narrative regarding HOME contains the figures from PY2013 and the CAPER did not include the HOME Match Report so we were unable to determine whether there was any match for PY014 or not. Nonetheless, the carryover excess match as reported last year of \$922,384.35 is sufficient to cover the match liability of \$73,109.16 according to the PR33-Match Liability Report.

Finally, as we indicated earlier in this Assessment the CAPER HOME narrative did not describe on-site inspections, it only specified that the county inspects new construction. However, the County is working to give us this narrative in order to meet the requirement of 24 CFR § 92.504(d).

Emergency Solutions Grant (ESG)

The PR-91 ESG Financial Summary dated September 24, 2015 specifies that Adams County had not yet obligated \$561 of its program year 2014 ESG funds nor has it drawn all of its 2013 funds; additionally, the PR-91 indicates that the 2013 ESG street outreach and shelter exceeded 60 percent of the current grant amount. However, as of October 5, 2015 the County has obligated the remaining \$561 as Admin for 2014 and has drawn 91.58 percent of the 2013 grant. The 24 CFR § 576.203(a)(2) obligation requirement has now been met. As far as the 60 percent street outreach/shelter limit, a conversation with Adams County revealed they had erroneously input the wrong data into IDIS and they made changes that very day. We requested the County provide us with grant agreements that reflected the amounts changed in IDIS. The County provided agreements but the amounts were not comparable to the data in IDIS:

- Growing Home - The grant agreement is for \$75,089 and the detailed budget in the agreement does not line up with IDIS:

Subrecipient Agreement	IDIS
\$27,088 shelter cost	\$41,179 shelter cost
\$48,000 homeless prevention	\$33,000 homeless prevention
Not signed or dated	\$910 HMIS

- Almost Home - The front page the amendment really told us nothing other than it is being extended to 2017. There were no signatures for the agreement, and there was no budget.
- Arising Hope - The same issue as Almost Home.

- The Resolution for the Adams County Board of Commissioners also has different amounts than what is in IDIS:
  - Growing Home - resolution says \$80,000 and IDIS says \$75,089 (which matches with the agreement);
  - Almost Home - resolution says \$31,215 and IDIS says \$40,000 (agreement terms unknown at this time);
  - Arising Hope - resolution says \$22,000 and IDIS says \$2,500 (agreement terms unknown at this time).

In discussion with the County, it was stated that the person who prepared the agreements is no longer there but had indicated she made an oral agreement with the subrecipients for the correct amounts. The County indicated that the invoices reflected the appropriate amounts. It then provided us with the invoices that were approved within this last week. However, even these invoices do not reflect all of the same amounts in IDIS:

- Growing Home – Budget on invoice and IDIS as of October 5, 2015 do reflect the same amounts:
  - \$41,179 shelter cost
  - \$33,000 homeless prevention
  - \$910 HMIS
- Almost Home – Invoice budget reflects:
  - Shelter - \$30,000 with \$23,694.55 approved for draw
  - Homeless Prevention - \$5,000 with \$4,904.02 approved for draw
  - HMIS - \$5,000 with \$167,94 approved for draw

Yet IDIS as of October 5, 2015, reflects the following amounts committed and drawn for Almost Home:

- Shelter - \$26,863.40 committed and \$25,028.36 drawn
  - Homeless Prevention - \$11,136 committed and \$4,904.02 drawn
  - HMIS - \$2,000 committed and \$167.94 drawn
- Arising Hope – no recent invoices

As of October 5, 2015, IDIS does reflect the fact that no more than 58.43 percent was drawn for PY2013 Street Outreach/Shelter activities and that 91.58 percent of the 2013 funds have been drawn. With very few of the documents reflecting comparable figures and the fact that 2013 funds are not 100 percent drawn the limit could still be exceeded and therefore, we still need the County to provide fully executed agreements that reflect the changed amounts in IDIS and include this as a finding below.

**FINDING #1 – PY2013 Street Outreach/Shelter Limit Exceeded.**

**Condition** – PY2013 Street Outreach/Shelter activities were at \$86,179 or 75.41 percent of the current grant amount of \$117,589 as of September 24, 2015.

**Criteria** – 24 CFR § 576.100(b) specifies that “The total amount of the recipient’s fiscal year grant that may be used for street outreach and emergency shelter activities cannot exceed the greater of: (1) 60 percent of the recipient’s fiscal year grant or (2) The amount of Fiscal Year 2010 grant funds committed for homeless activities.” The FY2010 homeless assistance amount was \$58,293 making 60 percent of the current grant the greater of the two at \$70,553.40.

**Cause** – IDIS figures and County documents do not reflect like amounts.

**Effect** – The PY2013 ESG grant exceeded the Street Outreach/Shelter limit by 15.41 percent as of September 24, 2015.

**Required Action** – Adams County must submit agreements, invoices and IDIS reports that reflect true figures of 2013 ESG activities within 30 days of the date of this assessment. If the County cannot show actual amounts as appropriate the County will then, at that time, be required to reimburse its line of credit from non-federal funds for the amount it was over as of September 24, 2015 for \$15,625.60.

#### Office of Fair Housing and Equal Opportunity (FHEO)

Although the Office of Fair Housing did send an email with a detailed report directly to the County, a few of the comments made will be provided here. The CAPER did not discuss the availability of translation services to enable persons with Limited English Proficiency to fully participate in the citizen participation process, did not provide evidence or discuss the provision of TDD/TTY communication devices or a State Relay number for those who are hearing impaired who wish to participate in the CAPER preparation process, and did not detail the steps the County took, if any, to ensure that all venues for interviews, focus groups, and public meetings associated with the citizen participation process were fully accessible to persons with disabilities.

Additionally, the CAPER neither provided data for female-headed households and persons with disabilities nor did it provide demographic data for each of the specific activities funded by the County in PY 2014. In future submissions, FHEO recommends that the County provide complete data for female-headed households and persons with disabilities so that FHEO can determine whether those groups are benefitting from Grantee’s programs in relative proportion to their group’s representation in the population. In addition, FHEO recommends that the County provide complete data for each of the specific activities funded by the County during the PY.

Moreover, the CAPER did not provide enough information to determine whether there was a substantive difference in indirect benefit activities between predominately White Census tracts versus Census tracts with a large population of racial and ethnic minorities.

It is important that the County comply with the suggestions.

Part III. HUD Evaluation and Conclusions

A. OVERALL EVALUATION

Because of the lack of description in some of the required narratives we, once again, earnestly encourage Adams County to review CAPER requirements at the following web site to ensure that the CAPER for program year 2015 will be complete as the CAPER will be done in IDIS from here on out:

<https://www.hudexchange.info/idis/idis-reporting/>

B. CONCLUSIONS AND FINDINGS

Community Planning and Development, Region VIII, Denver, has reviewed available facts and data pertaining to the performance of Adams County for its Consolidated Plan and the formula Community Planning and Development Programs specified in that Plan [Community Development Block Grant, HOME Investment Partnership Act, and Emergency Solutions Grant] during the period specified above. Based on the overall review record and the information summarized above, CPD makes the following findings:

1. During the period specified with the cited exceptions, Adams County has only marginally carried out its program as described in its Consolidated Plan as approved and amended.
2. The Consolidated Plan, as implemented, minimally complies with the requirements of applicable laws and regulations.
3. Adams County appears to have minimal capacity to carry out its approved program in a timely manner.





December 14, 2015

**VIA EMAIL (Aaron.B.Gagne@hud.gov)  
& REGULAR MAIL**

Aaron B. Gagne'  
CPD Director  
HUD Region VIII, Denver  
1670 Broadway Street  
Denver, CO 80202-4801

Re: Adams County's Annual Community Assessment

Dear Mr. Gagne:

This letter will serve to respond to your letter dated October 8, 2015 regarding the above-referenced matter. Adams County requested and received a 45-day extension till December 14, 2015 to respond to the Annual Community Assessment (ACA).

First, on behalf of Adams County Community Development (ACCD), a division of the Adams County Community & Economic Development Department, I would like to thank you and your staff for providing a very thorough and insightful ACA. Only by knowing what we need to improve can we continue to work towards, as described in the ACA, "...development of viable urban communities in providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income."

#### **Part I. Summary of Consolidated Plan/Action Plan Review and Assessment**

As you are aware, ACCD had significant turnover in staff in 2014 including the Administrator and Grants Manager. These two key positions held a tremendous amount of responsibility and institutional knowledge in the operations and programs of ACCD. ACCD staff has worked very hard in cross-training to ensure that this situation does not happen again. We also greatly appreciate the recognition that, while very little activity was done in PY2014, ACCD has expended the necessary funds in the current year to meet the Consolidated Plan and Annual Action Plan goals. Staff has also gone through all IDIS activities for the past five years and has ensured that all activity descriptions accurately reflect the projects performed or to be performed and do not have references to "repair" and/or "maintenance".

With respect to the 2014 CAPER, ACCD has amended the document and submitted it to its HUD representative to address certain issues/narratives including, but not limited to: worst-case needs; barriers

to affordable housing; public housing and resident initiatives; whether the County met its annual goals; whether the County pursued all resources, requested certifications of consistency and did not hinder implementation of the Consolidated Plan; HOME on-site inspections, and HOME match requirements. We will ensure that future CAPERs include the required topics.

## Part II. Summary of Grantee Performance

CDBG: The County's timeliness ratio at the time of the ACA was 1.96. ACCD is proud to report that as of today's date, the County's timeliness ratio is 1.25 (PR56 confirmed).

HOME: At the time of the ACA, HOME funds needed to be committed for previous years. ACCD is happy to report that the Board of County Commissioners will be approving at tomorrow's public hearing the CDBG and HOME recommendations for PY2016. Included in those recommendations is nearly \$800,000 in HOME funds to be used for an affordable housing project to begin construction in the summer of 2016, as well as another \$140,000 in housing programs. We are very aware, and have communicated the HOME deadlines to use funds to our Consortia members (the cities of Thornton and Westminster) as well. We are confident that all HOME funds will be expended in the required timeframes.

ESG: ACCD has had numerous conversations with our HUD representative, Judy Padgett, regarding the ESG program. We are happy to report that this program is back on track and all information for PYs 2013, 2014 and 2015 is in IDIS. In addition, the staff person who used to manage the ESG program is no longer responsible for the program as of September 1, 2015. New ACCD staff have assumed responsibility and worked diligently to amend the existing ESG contract with a more detailed breakdown of the budget and services allowed under ESG. We provided this information to Ms. Padgett and it is attached to this report as well showing that no more than 60% of ESG funding can be used for Street Outreach/Shelter. (This addresses Finding #1 – PY2013 Street Outreach/Shelter Limit Exceeded). ACCD is confident that the ESG program is on track and understands more fully the rules and responsibilities for ESG in IDIS.

ACCD is working closely with subgrantees in collecting the necessary demographics for reporting purposes to the Office of Fair Housing and Equal Opportunity. Future CAPER submissions will provide complete data as suggested and outlined in the ACA.

We thank you again for providing us with the ACA and allowing us to comment. We hope that your office has seen, through this year's actions and accomplishments, that ACCD is committed to delivering and meeting the housing and community development needs of the County's low- and moderate-income customers.

Please feel free to contact me with any questions or concerns.

Sincerely,



Joelle S. Greenland, AICP  
Community Development Manager

Cc: Norman Wright, Director of Community & Economic Development (via email)  
Judy Padgett, HUD Region VIII (via email)

# U. S. Department of Housing and Urban Development



Community Planning and Development

Region VIII, Denver  
1670 Broadway  
Denver, Colorado 80202

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January 7, 2016

Mr. Norman Wright  
Director of Neighborhood Services  
Adams County  
4430 South Adams County Parkway - Suite W6202  
Brighton, CO 80601

Dear Mr. Wright:

We appreciate your timely response and comments received via email on December 11, 2015 and January 5, 2016, to our Annual Community Assessment finding for the Emergency Solutions Grant (ESG) E13UC080001. This letter closes the finding as described:

## **FINDING #1 – PY2013 Street Outreach/Shelter Limit Exceeded.**

**Condition** – PY2013 Street Outreach/Shelter activities were at \$86,179 or 75.41 percent of the current grant amount of \$117,589 as of September 24, 2015.

**Criteria** – 24 CFR § 576.100(b) specifies that “The total amount of the recipient’s fiscal year grant that may be used for street outreach and emergency shelter activities cannot exceed the greater of: (1) 60 percent of the recipient’s fiscal year grant or (2) The amount of Fiscal Year 2010 grant funds committed for homeless activities.” The FY2010 homeless assistance amount was \$58,293 making 60 percent of the current grant the greater of the two at \$70,553.40.

**Cause** – IDIS figures and County documents do not reflect like amounts.

**Effect** – The PY2013 ESG grant exceeded the Street Outreach/Shelter limit by 15.41 percent as of September 24, 2015.

**Required Action** – Adams County must submit agreements, invoices and IDIS reports that reflect true figures of 2013 ESG activities within 30 days of the date of this assessment. If the County cannot show actual amounts as appropriate the County will then, at that time, be required to reimburse its line of credit from non-federal funds for the amount it was over as of September 24, 2015 for \$15,625.60.

**ADAMS COUNTY RESPONSE** – December 11, 2015, the county provided HUD with Agreement Amendments with 2013, 2014, and 2015 ESG subrecipients. The 2014 and 2015 amendments contained the same figures as the figures in IDIS. However, the 2013 Amendments (County documents) still did reflect like amounts with IDIS. Therefore,

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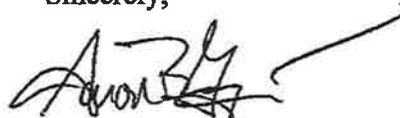
HUD requested vouchers for 2013 ESG draws that revealed the amounts drawn did not exceed the 60 percent regulatory limit for Street Outreach/Shelter costs. On January 5, 2016, Adams County provided the requested information via email.

**HUD RESPONSE** - While the figures for 2013 ESG activities still do not totally reflect like amounts with IDIS, it was evident from the source documentation submitted that the expenses were eligible and did not exceed the regulatory limits. Therefore, this finding is closed.

Again, we thank you for your timely and detailed response.

If you have any questions, please contact Mrs. Judy K. Padgett, Community Development Representative at (303) 672-5081 or via email at [judy.k.padgett@hud.gov](mailto:judy.k.padgett@hud.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron B. Gagné", with a long horizontal stroke extending to the right.

Aaron B. Gagné  
Director

Cc: Joelle Greenland, Adams County