



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

October 24, 2014

Keith Lampkin, Community Development Manager  
City of Clarksville  
One Public Square  
2<sup>nd</sup> Floor Suite 201  
Clarksville, TN 37040

Dear Mr. Lampkin:

SUBJECT: Consolidated End-of-Year Review - Program Year 2013  
City of Clarksville

Annually, the U.S. Department of Housing and Urban Development (HUD) is required to conduct a review of performance by grant recipients. The review consists of: analyzing the City's consolidated planning process; reviewing management of funds; determining the progress made in carrying out HUD policies and programs; determining the compliance of funded activities with statutory and regulatory requirements; and determining the accuracy of required performance reports; as well as evaluating accomplishments in meeting key Departmental strategic goals and objectives. Concurrently, the Secretary of HUD must determine 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. This annual assessment covers the 2013 Program Year, for the period of July 1, 2013 to June 30, 2014.

In addition to meeting the mandates of the statutes, this assessment provides a basis for Clarksville and HUD to work together collaboratively in achieving housing and community development goals. The Office of Community Planning and Development (CPD), in consultation with the Offices of Public Housing, Multifamily Housing, Single Family Housing, Chief Counsel and Fair Housing and Equal Opportunity completed the assessment.

We congratulate the City of Clarksville and the staff of the Office of Housing and Community Development for the Consolidated Planning Programs on the accomplishments toward implementing programs and policies, which carried out the strategies, as outlined in the 2013 Consolidated Plan (July 1, 2013 to June 30, 2014), year four under the 2010 Plan.

During the 2013 Program year, the City implemented many worthwhile activities and programs and expended funds in a timely manner. Sixty days prior to the end of the 2013 Program Year (May 2, 2014), a total of 1.25 in program years of Community Development Block Grant (CDBG) funds remained in the grantee's line of credit which met the timely use of funds test as required by 24 CFR 570.902. Also, the City continues to commit and expend HOME Investment Partnerships Program's funds in a timely manner.

In the review of the Consolidated Annual Performance and Evaluation Report (CAPER), the information entered in the Integrated Disbursement Information System (IDIS), HUD Program Offices comments, and CPD staff discussions/knowledge of the jurisdiction's activities during the 2013 Program Year, the City is recognized for a number of noteworthy accomplishments including the following:

1. **Low- and Moderate-Income (LMI) Benefit.** The CAPER indicated that 98 percent of the CDBG funds expended during the reporting period benefited LMI persons either through direct benefit activities or activities benefiting low/mod areas.
2. **Housing Rehabilitation Programs.** The City continues to operate its housing rehabilitation programs using a combination of CDBG and HOME funds. As a result, Clarksville continued to provide affordable housing opportunities for its citizens. Accomplishments included: assisting nine households with housing rehabilitation, providing six households with emergency repair, and assisting nine first-time homebuyers with downpayment and closing costs.
3. **Assistance to the Homeless.** The City once again provided a variety of programs and services to assist the homeless during the program year. Clarksville distributed CDBG funds to the United Methodist - Urban Ministries' Safehouse Shelter and Grace Assistance, Radical Mission Ministries, Mt. Olive Brandon Hill Community Garden, Flourishing Families, Safe Harbor of Clarksville, and Manna Café Ministries. In addition, the Community Action Agency continues to fund services for homeless prevention by providing electric, gas and water deposits for income eligible applicants. The above non-profit agencies also provided emergency shelter assistance, shelter for abused and battered women, legal representation, and counseling. The City participates as grantee and sponsor in a Shelter Plus Care (SPC) grant providing rental assistance for 15 chronically homeless individuals. During the reporting period, the aforementioned programs assisted over 6000 individuals.
4. **Reducing housing blight in neighborhoods.** The City demolished two blighted houses to help revitalize the neighborhoods.
5. **Fair Housing.** The Office of Fair Housing and Equal Opportunity (FHEO) reviewed the City's CAPER for compliance to the Affirmatively Furthering Fair Housing Related Program Requirements and recommended approval. A copy of the comments has been enclosed.
6. **Community Housing Development Organizations (CHDOs).** The City continued to work with Buffalo Valley, Inc., to provide transitional and permanent housing for LMI income persons, persons with disabilities, and homeless individuals and families. Funds were used to purchase one residence for use as transitional housing for homeless or low income families or individuals.

- 7. Community Assessment Target City Designation.** The Department selected the City as a Community Assessment Target City. This included meeting with the City staff and local stakeholders to identify needs and to develop a local Community Assessment Final Action Plan which would provide action items to address a few of the agreed upon high priority needs. I am pleased acknowledge that the Final Action Plan was developed and that the City promptly began carrying out actions to address the top identified needs, with work continuing into the 2014 Program Year. After working out some eligibility matters, especially noteworthy is the work being done with Providence Pointe with the efforts to provide affordable housing. The Department will continue to work with the City in carrying out the activities identified in the Final Action Plan.

The One CPD Technical Assistance Program has been changed to better assist out grantees. The name is changing to Community Compass and it will continue to provide technical assistance in implementing any local housing and community development activities. The procedures for access to such technical assistance are still being drafted. Once finalized, you will be informed of the process. In the meantime, please continue to submit your requests either through Knoxville CPD or at the technical assistance website. During the Program Year, this Office has continued to provide technical assistance with issues

Again, the Department asks for your collaboration and partnership in several of our priorities and strategic goals, including: addressing the needs of returning veterans and their families and in addressing housing and providing supportive services for the homeless, especially homeless families/children, as governed by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH). In addition, here in Tennessee, we ask your assistance in considering funding activities to assist those homeless youth just coming out of foster care. This is a growing problem in Tennessee.

HUD will also continue to work with our grantees in implementing activities which promote and increase energy efficiency and make healthy home improvements, prevent foreclosures, preserve affordable rental housing, reduce residential vacancy rates, and reduce homelessness, including Veterans, family and chronic homelessness. The Department will continue its quest to “transform the way it does business” with our partners to make sure our programs and funding are efficient, effective, transparent, and protecting the public trust. Major emphasis will continue on building sustainable communities free from discrimination and partnering with other Federal departments in these efforts. During the 2014 Program Year and as you plan for the 2015 Program Year, please pay close attention to the following:

- 1. Frequent, Accurate, and Up-to-date Reporting In IDIS.** At the end of each Federal fiscal year, HUD reports information on the accomplishments achieved using CDBG and HOME funds in its Annual Performance Report. This report uses the accomplishments reported by grantees in IDIS to measure the success of the Consolidated Planning Programs, especially HOME and CDBG, in achieving goals. This information is analyzed by the OMB and Congress and is an important consideration in future funding of the program. Therefore, it is critical that your jurisdiction reports all accomplishments for each of its activities in a timely manner. While some activities will not have accomplishments for the current fiscal year, most

will. In addition, where feasible, make sure to include entries relative to lead based paint and energy “green” accomplishments. This will enable CPD to capture data needed in those areas. At the same time, please pay close attention to making sure that data entered into IDIS complies with the regulations and have accomplishments which can be documented in your applicable funded program.

2. **The HOME Participating Jurisdictions (PJs) Open Activities Report.** The report is on HUD’s website each month. It is available to assist PJs in identifying projects that may need to be cancelled or projects that remain in "open" status despite their having been completed. This report provides information on all HOME projects entered in IDIS that have not been completed. Its primary purpose is to enable PJs to regularly review and identify open projects that should be completed in IDIS or cancelled. This report can be found online at <http://www.hud.gov/offices/cpd/affordablehousing/reports/open>. Information on revising activity status begins on page 4-32 of the chapter. CPD and the Office of Affordable Housing Programs will continue tracking your jurisdiction’s progress in this area. Please note that failing to enter this information into IDIS has a negative impact on the City’s scores, and, subsequently, its National and State Ranking with other PJs. Also, CPD offers technical assistance to help PJs improve their scores. As always, the Department continues to need accurate reporting on all Consolidated Planning programs.
3. **Timely Completion of Activities.** As we reviewed information in IDIS, no stalled activities were observed. You continued to update IDIS activities on a regular basis. As you know, this Department is always available to offer technical assistance and guidance.
4. **HOME Program Changes.** As a reminder, among the most significant changes are the following:
  - Projects not completed within four years from the date of project commitment would be considered terminated and the jurisdiction must repay HOME funds invested in the project;
  - Repayment of HOME funds would be required for any unit that is not rented to eligible tenants within 18 months of project completion;
  - Homebuyer units that are not sold within six months of completion of rehabilitation or construction would be required to be converted to rental projects;
  - Makes several changes to the requirements of community housing development organizations (CHDOs) and funding awarded to CHDOs. For example, general CHDO reservations would be eliminated and PJs would be required to commit CHDO set-aside funds to specific CHDO projects within 24 months. In addition, HUD would deobligate CHDO set-aside funds not expended within five years of obligation to the PJ;
  - PJs would be required to assess a developer’s capacity and financial condition, in addition to market need for the project and its long-term viability before committing HOME funds;

- PJs would be required to examine annually the financial condition of rental projects with at least ten HOME-assisted units;
  - New property standard requirements and inspection requirements would be established;
  - Mandatory program design considerations for homebuyer programs would be established; and,
  - PJs would be required to develop and adopt written policies and procedures to improve program oversight, conduct risk-assessments, and more closely monitor sub-recipients.
5. **Minority Business Enterprise (MBE) Reporting.** Executive Orders 11432 and 11625 require all Federal agencies to promote MBE, including women business enterprises, participation in their programs. The City is encouraged to expand its efforts in these areas and submit the MBE report (HUD Form -2516) on the Consolidated Plan Program funds. The next MBE report, "Contract and Subcontract Activity," will cover the period of October 1, 2014 - September 30, 2015. The completed form has a submission date within 10 days of September 30<sup>th</sup> each year.
6. **Section 3 Reporting.** The Department encourages compliance to Section 3 of the HUD Act of 1968, and implementing regulations at 24 CFR Part 135. Section 3 provides to the greatest extent feasible opportunities of employment and training be given to lower income residents of the project area and contracts be awarded to businesses located in or owned substantially by residents of the project area. It helps low-income residents gain the skills and jobs needed to become self-sufficient. The program also provides opportunities for qualified, low-income business owners to receive preference in bidding on HUD-funded contracts. Grantees are required each year to submit a Section 3 Report, which is due for entitlement grantees at the same time they submit their CAPERs.

At this time, Section 3 Summary Reporting System remains unavailable for the submission of Form HUD 60002 by covered agencies. The Department is aware of the challenges that this inconvenience presents. Please be aware that no recipients will be held in noncompliance for failing to submit 2013 or 2014 Section 3 reports in time, and the unavailability of the system should not result in negative findings during the annual audits such as those conducted pursuant to the Single Audit Act (i.e., OMB Circular: A-133). HUD will notify recipients by email when the Section 3 Summary Reporting System is re-launched and will communicate new due dates at that time. You are encouraged to sign-up for the Section 3 listserv at [www.hud.gov/section3](http://www.hud.gov/section3) to receive updates about the status of the system and other relevant information.

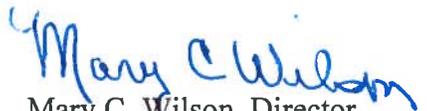
7. **Conflict of Interest Requirements.** We would like to take this opportunity to remind all grantees of the conflict of interest regulations regarding all of the Consolidated Planning programs: CDBG at 24 CFR Part 570.611; HOME at 24 CFR Part 92.356, ESG at 24 CFR Part 576.57(d) and 24 CFR 570.611(d) & (e), and HOPWA at 24 CFR Part 574.625. All of the Department's programs are governed by conflict of interest requirements. Each program provides information on what may be

considered a conflict and who may be covered. In addition, each provides a process by which a grantee can contact CPD to request an exception to the conflict of interest regulations. Failure to comply with the conflict of interest provisions will result in funding connected to the conflict being questioned and disallowed. We encourage all of our grantees to implement conflict of interest procedures that will assist all employees, elected officials and subgrantees in being in compliance and will assist the grantee with early detection of possible conflict of interest matters. CPD and the Chief Counsel are always available to provide guidance on possible conflict of interest compliance matters.

As a result of our review of the CAPER and applicable information on progress and compliance, HUD has determined that the City has the continuing capacity to implement and carryout the Consolidated Planning programs and that for the 2013 Program Year the progress has been commendable. You are invited to submit to this Office, within 30 days, your written comments about the content of or conclusions expressed in this letter. Please make this letter available to the public within 30 days of its receipt or the submission of your comments to HUD.

We also encourage the sharing of this assessment report with: the media, those on your mailing list of interested persons, members of your advisory committee, and/or those who attended hearings or meetings. HUD will make this information available to the public upon request and may provide copies of this report to interested citizens and groups. If you have any questions, please call me at (865) 545-4391.

Very sincerely yours,

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

Enclosure

cc

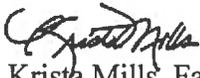
Honorable Kim McMillan,  
Mayor of Clarksville



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Knoxville, Tennessee 37902-2526

October 23, 2014

MEMORANDUM FOR: Mary Wilson, Director, Knoxville Office of Community Planning and Development, 4JD

FROM:   
Krista Mills, Fair Housing and Equal Opportunity, Region IV,  
Programs and Compliance Director, 4IEP

SUBJECT: Review of Consolidated Annual Performance Evaluation Report for  
Grantee: Clarksville, Tennessee, Program Year 2013-2014

The Office of Fair Housing and Equal Opportunity (FHEO), Programs and Compliance Division, reviewed the above Consolidated Annual Performance Evaluation Report (CAPER) in accordance with HUD Regulations at 24 CFR 91.520(a) and the Fair Housing Act review criteria. FHEO recommends approval of the 2013-2014 CAPER. Although approval is recommended, FHEO notes the following fair housing concerns to be communicated to the grantee regarding the 2013-2014 CAPER.

FHEO notes that the public-participation notice submitted with CAPER did not include a TDD number or alternative form of communication for the deaf and hearing impaired to use when communicating with the jurisdiction. FHEO cautions the jurisdiction that under 24 CFR 9.160(a)(2), if a jurisdiction communicates with members of the public via telephone, it is required to provide telecommunication devices for the deaf and hearing impaired and to provide information on the existence of such devices. The jurisdiction should ensure that they include the TDD number or equally effective mode of communication in all notices relating to CDBG-funded programs. If the jurisdiction does not have such mode of communication, it should obtain a TDD machine or equally-effective mode of communication immediately.

FHEO notes that the CAPER does not indicate that the jurisdiction took any affirmative steps to solicit citizen participation from racial, ethnic, and religious minorities, families with children, or persons with disabilities. FHEO is advising the jurisdiction that its CAPER should include specific actions taken to encourage public participation, by people of all races and ethnicities, people with disabilities, female-headed households, and families with minor children.

FHEO notes that the jurisdiction did not indicate that community meetings and other activities related to public participation were affirmatively made available to the LEP population. Failure to make such documents and activities available to the LEP population may disparately impact particular racial and ethnic minorities, thereby jeopardizing the jurisdiction's certification that it has affirmatively furthered fair housing (AFFH).

*HUD's mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.*

Finally, FHEO notes that the jurisdiction allocated \$5,192 of \$1.4 million in CDBG and HOME funding toward fair housing programs, even though the CAPER indicates that during the following program year, the jurisdiction only addressed two out of the five impediments from its 2012 Analysis of Impediments. FHEO strongly advises the jurisdiction to implement program and policies recommended from the 2012 AI in order to ensure that it is addressing all of the identified impediments. Failure to do so may result in a violation of the jurisdiction's certification that it will affirmatively further fair housing.

The Clarksville Program Year 2014-2015 CAPER will be reviewed in specific for the concerns noted above. Zachary D. Blair, Equal Opportunity Specialist, will contact the grantee within 30 days of receipt of this letter to offer technical assistance to ensure that future submissions correctly reflect the grantee's effort. In the meantime, Mr. Blair can be reached at [zachary.d.blair@hud.gov](mailto:zachary.d.blair@hud.gov) or at 615-515-8597.

CODE KEY: DD5

RISK FACTOR KEY: HRC7

STATUS CODE: N

cc:

LaLonnice McKenzie, Fair Housing and Equal Opportunity, Equal Opportunity Assistant,  
Knoxville Field Office, 4JES