



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Fort Worth Regional Office, Region VI
Office of Community Planning and Development
307 West 7th Street, Cherry Street, Suite 1000
Fort Worth, TX 76102
www.hud.gov

June 16, 2021

Julia Craze
Grants Coordinator
Neighborhood Services
405 N Rusk Street
PO Box 1106
Sherman, TX 75091

Dear Ms. Craze:

SUBJECT: Annual Community Assessment for the 2019 Program Year
2019 Program Year: October 1, 2019 – September 30, 2020
Community Development Block Grant (CDBG) Program

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 City of Sherman's performance under the Community Development Block Grant (CDBG) Program.

Report

Our review is based on an evaluation of your consolidated planning process and progress in carrying out the programs, the management of funds by the city and your subrecipients, information provided in the Consolidated Annual Performance and Evaluation Report (CAPER), the Integrated Disbursement and Information System (IDIS), and your achievement of program objectives. Based on the available information, the city accomplished the following during the reporting period.

Community Development Block Grant (CDBG) Program

Providing Decent Housing.

According to the information provided in IDIS, the city utilized CDBG-CV funding to provide 58 households with rental assistance.

Providing Suitable Living Environment.

According to the information provided in IDIS, the city provided public services to 1,425 low-moderate income households. Additionally, the city completed 2 projects within the Park

Improvement Program that impacted a total of 1,320 households in low-moderate income areas. Specifically, facility improvements to the Lucy-Kidd Park added ADA access from the park and street to the Kidd-Key Auditorium. This park is in a 70% LMI area that serves 940 households. The Martin Luther King, Jr. Memorial Park Renovations Project provided a new covered pavilion, play structures, and seating improvements. This park is in an 83% LMI area that serves 673 households. Lastly, the City's Demolition and Clearance Program demolished 25 blighted buildings in PY 2019.

Primary Objective.

In the Specific Community Development Block Grant (CDBG) Certifications submitted with its 2019 Action Plan, the county designated a period consisting of one program year (2019) as the overall program benefit period. According to information provided in the 2019 PR26 – CDBG Financial Summary Report, the City expended 86.71 percent of CDBG funds (excluding funds expended for planning and administration) for activities which principally benefit low- and moderate-income persons, which is greater than the 70 percent minimum standard for overall program benefit.

Timeliness.

According to information provided in IDIS, the city is implementing its program in a timely manner. The timeliness standard is that 60 days before the end of the program year, a grantee must not have more than 1.5 program years of grant funds in its line of credit. As of August 2, 2020, the city's unadjusted program income line of credit was .83 grant years, and its adjusted program income line of credit balance was also .83 grant years. This rate of progress assures that the benefits of the program are reaching the intended beneficiaries within a reasonable period of time after grant approval.

Program Expenditure Caps.

According to the information provided in the 2019 PR26 – CDBG Financial Summary Report, the amount of funds expended on planning and administration was 15.58 percent, which is below the 20 percent cap for such activities. The amount of funds expended on public service activities was 13.10 percent, which is compliant with the 15 percent cap allowed for such activities.

Areas Needing Improvement and Recommendations

We provide the following recommendations for your consideration as you continue to improve performance, develop and refine your consolidated planning process, and carry out your programs:

Timeliness. The IDIS PR56 report is a helpful tool for keeping track of drawdown progress. IDIS will calculate a current drawdown ratio and the exact dollar amount you need to draw down to reach the 1.5 standard.

Activity Eligibility. A careful review of CDBG activities for both eligibility and national objective compliance is required. This office can assist the city with a review of activities prior to moving forward to prevent issues of non-compliance that the potential loss of funds.

HUD Training. The city is reminded that HUD training for grantees is provided throughout the fiscal year. Courses are available for CDBG, HOME, ESG, HOPWA, and CoC programs. You may contact this office or visit <https://www.hudexchange.info/training-events/> for more information on which courses are currently available.

Conclusion

As a result of our evaluation, we have determined that the City of Sherman has carried out its program substantially as described in its Consolidated Plan. The City has the continuing capacity to carry out its approved programs in a timely manner. The Consolidated Action Plan as implemented complies with the requirements of the Housing and Community Development Act and other applicable laws and regulations.

We are providing the City with thirty days from the date of this letter to comment on this report. Should the City wish to comment or request changes to it we will take them into consideration and provide a written response. If no comments are received within the period allowed, this report will be considered to be in final form. Once it is in final form, it will be made available to the public upon request.

Public Access

This report is intended to be shared with the public. You may provide copies to interested persons, such as the news media, members of local advisory committees, and citizens attending public hearings. We request that you provide a copy of this letter to the Independent Public Accountant who performs the single audit of the county in accordance with the Uniform Guidance, 2 CFR 200, Subpart F.

If you have any questions, please contact Amanda Driggers, Community Planning and Development Representative, at (817) 978-5942.

Sincerely,

Shirley J. Henley
Director