



HR 619 113PM

U. S. Department of Housing and Urban Development
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March 4, 2019

Edward Gomeau, Interim County Administrator
Richland County Government
Post Office Box 192
Columbia, South Carolina 29202

Mr. Gomeau:

Subject: Richland County
Consolidated End-of-Year Review
Program Year 2017

The Department of Housing and Urban Development is required to conduct an annual assessment of performance by each formula grant recipient. As part of this process, HUD must determine whether the recipient complies with the implementing statutes and regulations. In addition, HUD must determine whether the recipient has the continuing capacity to implement and administer the programs that receive formula funding.

This letter serves to report the results of HUD's assessment of Richland County's administration of the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs for the reporting period covering October 1, 2017, through September 30, 2018.

Community Development Block Grant (CDBG) Program

During Program Year (PY) 2017, Richland County received a total of \$1,330,593 in CDBG funds. The County reported an expenditure of approximately \$851,187 for low to moderate income activities (85.02 percent), \$148,714 for public service activities and \$219,578 for planning and administration during the reporting period. The County did not report the receipt of CDBG program income during the reporting period.

The County expended 20 percent of its CDBG grant for planning and administration costs. The regulations at 24 CFR Part 570.900 allow an entitlement grantee to expend up to 20 percent of each grant (plus program income) for planning and administrative costs. Additionally, the County expended 6.76 percent for public service activities. The CDBG regulations at 24 CFR Part 570.201(e)(1) require that the grantee expend no more than 15 percent of the entitlement grant for that year (plus 15 percent of program income) on public service activities. Consequently, the County complies with both the public service and planning and administrative caps under the CDBG program.

In accordance with the regulations found at 24 CFR 570.902(a)(1)(i), HUD tests to determine if the County is carrying out its CDBG-assisted activities in a timely manner. This statutory requirement stipulates that the amount of available and undisbursed grant funds in a grant recipient's line of credit account be no more than 1.5 times the grant recipient's entitlement grant for the current program year, including any program income on hand and program income in a revolving loan fund, referenced as "RL" funds in IDIS. As determined by IDIS, the County had 1.70 of undisbursed funds available in its line of credit at the time of the review (which includes Program Income and Revolving Loan Funds) and consequently failed to meet the CDBG timely expenditure standard for 2018. HUD required the County to develop a Workout Plan to ensure that the County's CDBG line of credit balance will be within the regulatory standard at the next CDBG timeliness measurement date on August 2, 2019. ~~Failure to meet the 1.5 timely expenditure standard for a second consecutive year may result in a reduction of the County's FY2019 grant by the dollar amount which exceeds the expenditure standard.~~ An exception to this requirement is if HUD determines that the lack of timeliness was due to factors beyond the County's reasonable control.

The County should continue to monitor the progress of each of its CDBG funded activities and to update accomplishments in IDIS in a timely manner. The Integrated Disbursement Information System (IDIS) Report PR-59 is a helpful tool to aid entitlement grantees in identifying funded activities which are aged or lack proper beneficiary information. The County should utilize this report to ensure that IDIS data is current.

Home Investment Partnerships (HOME) Program

During Program Year (PY) 2017, the County received a total of \$514,484 in HOME funds. The County reported the expenditure of \$485,271 during the reporting period. The County met the five-year requirement for disbursing program year 2012-2013 HOME funds.

The County reports that it contributed approximately \$105,221 in HOME match funding and carried forward \$40,791 of match to the 2018 program-year.

The HOME Open Activities Report was reviewed to determine whether the County had any projects that show a fully drawn down status in excess of 120 days. The regulations at 24 CFR 92.502(d)(1) allow a maximum of 120 days from the final draw to enter project completion data into IDIS. The report indicates the County is in compliance at the time of the CAPER review.

Office of Fair Housing and Equal Opportunity and Public Housing Reviews

The Office of Public Housing and the Office of Fair Housing and Equal Opportunity have reviewed and approved the County's FY 2017 CAPER.

HUD is required to make this report (inclusive of your comments) available to the public within 30 days of receipt of any comments from the County. Please share this report with all interested citizens.

The review concluded that Richland County has followed the goals and priorities in its five-year Consolidated Plan and 2017 Annual Action Plan and made progress during the 2017 program year toward meeting these goals and priorities. If you have any questions or need additional assistance, please contact me at (803) 765-5344 or Iris McCray, Community Planning and Development Representative, at (803) 253-3228.

Sincerely,

A handwritten signature in black ink that reads "BRADLEY S. EVATT". The signature is written in a cursive, slightly slanted style.

Bradley S. Evatt, Director
Community Planning and Development

cc: Valeria Jackson, Community Development Director