

U. S. Department of Housing and Urban Development



Community Planning and Development

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DEC 08 2015

The Honorable Jill E. Repella
Chair, Board of County Commissioners
100 Third Street
Castle Rock, CO 80104

Dear Commissioner Repella:

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 Douglas County for its 2014 Program Year (PY). 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
- Fair Housing and Equal Opportunity
- Timeliness
- Caps on Obligations – CDBG-Administration, Public Service
- IDIS – Consistency and accuracy of data and reports
- Homeless

Based upon our analysis and examination of the data available to us, we have determined that Douglas County's overall progress has been satisfactory during the most recent program year. The 60-day timeliness test conducted on June 2, 2015, resulted in the county having a 1.00 grant years of funds remaining in the Line of Credit, well below the 1.5 grant years allowed by regulation. We encourage the County to continue to meet this important measure of performance.

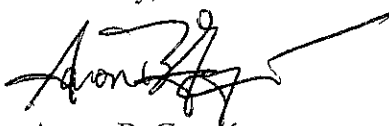
Douglas County appears to be administering its programs in a manner consistent with the applicable regulatory requirements. During the period August 1, 2014 through July 31, 2015, the County has carried out its program substantially as described in its Consolidated Plan and has the continuing capacity to carry out its approved program in a timely manner. These conclusions on your overall program performance are based solely upon the information available to this office and do not constitute a comprehensive evaluation or approval of specific activities.

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. 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 at 303-672-5076 or Mrs. Mary Ann Geissel, CPD Representative, at 303-672-5059.

Sincerely,



Aaron B. Gagné
Director

Enclosure

cc: Ms. Jennifer Eby
Community and Resource Services Manager
Department of Community Development
Community and Resource Services
100 Third Street
Castle Rock, CO 80104

cc: Ms. Tina Dill
Resource Services Supervisor
Department of Community Development
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100 Third Street
Castle Rock, CO 80104

ANNUAL COMMUNITY ASSESSMENT

JURISDICTION - Douglas County, Colorado

PROGRAM YEAR START - August 1, 2014

PERIOD COVERED BY ASSESSMENT – August 1, 2014 through July 31, 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 complies 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 Program Year (PY) 2014 Community Development Block Grant (CDBG) performance by the Douglas County Community Planning and Sustainable Development, Planning Services Division.

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

Douglas County is meeting the primary objective of the 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). Douglas County reports on this objective annually, and the County expended 75.70 percent of the federal funds in the current program year to benefit LMI persons. This indicates the County is providing low- to moderate-income benefit beyond the required 70 percent overall benefit for the certification period.

Projects funded in the current year are consistent with strategies and goals in the Consolidated Plan and Annual Action Plan. Douglas County includes the performance measure indicators as prescribed by HUD in the narrative of accomplishments. In addition, the HUD Integrated Disbursement and Information System (IDIS) reports reveal Douglas County is inputting these measurements into the system as required. It appears the County continues to possess a variety of resources to leverage its CDBG funds. We congratulate Douglas County on meeting the goals as set out in the Consolidated Plan.

Part II. Summary of Grantee Performance

Fair Housing and Economic Opportunity (FHEO)

A review of the Douglas County's 2014 Consolidated Annual Performance and Evaluation Report (CAPER) has been completed by the HUD Office of Fair Housing. A more detailed report has been made available to the County by the FHEO office. The review indicated the County is low risk and is sufficiently documenting its affirmative efforts to involve racial and ethnic minorities specifically in the citizen participation process. The County has developed a Language Assistance Plan (LAP) to assist Limited English Proficiency (LEP) residents to participate in the Citizen Participation Planning and to ensure equal access to services offered by Douglas County.

The County is taking the appropriate steps to ensure citizen participation in the CAPER process by persons in the protected classes. The County is encouraged to publish a notice to solicit participation in languages other than English.

The Analysis of Impediments was finalized by Douglas County in April of 2012, and the four impediments were identified as transportation access, imbalanced diversity, affordable housing opportunities and Fair Housing education for residents. The Douglas County has made progress in addressing these impediments by establishing action items for each of the impediments identified. Progress has been made by Douglas County in providing fair housing education and training, funding organizations that focus on the transportation of seniors and special needs populations within the County, and continues to work with other governmental departments in expanding affordable housing developments such as the waiver of fees and zoning requirements working with its Planning and Zoning Department.

Our review of the CAPER indicates Douglas County is committed to continuing its efforts to affirmatively further fair housing and to obtaining a balanced living pattern within its community.

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 not more than 1.5 times the entitlement grant amount for the current program year. The County had 1.00 grant years of funds remaining in the Line of Credit, therefore meeting the timeliness requirement. The County's next timeliness measurement date is August 2, 2016. At the time of this report, 1.55 grant years of funds remain and the County is encouraged to continue to meet the requirement. We congratulate you on being timely and urge you to continue to meet this important measure of performance.

Douglas County obligated \$125,918.24 in PY 2014 for Planning and Administration costs which is under the 20 percent program limitation of \$193,892.30 or 12.98 percent. Public service obligations are likewise limited to 15 percent of grant funds and include prior year program income. The County obligated \$130,328.95 or 12.22 percent of the funding to public service activities which is under the required 15 percent cap.

The Douglas County Consolidated Annual Performance and Evaluation Report CDBG Financial Summary Report (PR 01) indicated receipt of Revolving Loan Funds (RLF) program income for the Douglas County Housing Partnership (DCHP) through their Home Ownership and Shared Equity Programs in the amount of \$116,188.51 for program year 2014, with \$56,676.71 remaining at the end of the program year for eligible housing activities.

Each RLF must be held in an interest bearing account, and any interest is considered interest earned on cash advances and must be remitted to HUD (no less frequently than annually) as required by 24 CFR §570.500(b). The County submitted \$21.47 on August 27, 2015 for RLF interest payable HUD for PY 2014 as of the date of this report.

During PY 2013, Douglas County received information from a CDBG funded non-profit organization, Developmental Pathways, revealing the organization had sold the property where CDBG funds had been allocated for rehabilitation. A review of the documentation by HUD resulted in a determination that activity under 24 CFR §570.505, Use of Real Property, was no longer in compliance as the sale of the property no longer meet the requirements under CDBG regulations. On April 30, 2014, a letter was sent to Douglas County instructing the County to reimburse HUD in the amount of \$76,236 from non-federal funds. Douglas County remitted a check on August 18, 2014 and the funds were returned to the Douglas County's line-of-credit for PY 2014 to be used for other eligible activities. The County reallocated this funding in PY 2015 to the Douglas/Elbert Task Force for its building renovations to upgrade the fire alarm system.

Douglas County has shown significant improvement in documenting the accomplishments of its projects and activities as reflected in the reports generated by the IDIS system, as well as the inputting of data and numbers on the income categories for those who benefitted from the activities. The County is encouraged to collect and input this information on a quarterly basis. In addition, the IDIS PR 03 report indicates the County is documenting the number of persons assisted with its CDBG Program and race and ethnicity information. The County is reminded to ensure the number of persons who are provided assistance shown as a part of the accomplishment narratives also be included under the correct category, such as female-headed households. At the time of this review, there are no open CDBG at-risk activities due to the due diligence performed by the County's staff.

The County continues to provide its required performance measurement indicators for all open activities as prescribed by HUD. A review of the IDIS PR 83, CDBG Performance Measure Report, and the IDIS PR 85, Housing Performance Report, reveal Douglas County is inputting these measures into IDIS.

According to the IDIS PR10 Report, there were no housing activities completed by the County. This is due to the high cost of housing in the urban county areas where the average home cost is \$350,000. The County, through the Douglas County Housing Partnership (DCHP), has provided assistance in the purchase of one condo unit to be used as transitional housing for eligible residents earning at or less than 30 percent of area-medium income. Through the program, the family pays no more than 30% of its income for rent as the family progresses to self-sufficiency. DCHP had purchased two other housing units in PY 2014 and anticipates a total of four housing units to support the program. DCHP had originally applied for CDBG funding for down payment assistance, and then approached the County about purchasing and renting a community-supportive housing unit. Douglas County intends to make a change in one of its housing goals in the 2014-2018 Consolidated Plan, replacing "permanent-supportive" with "community-supportive" housing. With the purchase on the one housing unit, the County has taken steps towards this housing goal.

The IDIS PR10 Report reflects the County has provided assistance for new or continuing access to public services totaling 5,899 persons. Such services include providing LM families with emergency housing and overnight shelter activities and providing financial assistance to LM families for rent and utility assistance, supporting the goal of preventing homelessness for these families within its communities. We commend the County for meeting these important

requirements, and we encourage you to continue inputting these measures into IDIS on a quarterly basis.

Part III. HUD Evaluation and Conclusions

A. OVERALL EVALUATION

Overall, Douglas County appears to be making strides in providing affordable housing and addressing its community development needs.

B. CONCLUSIONS AND FINDINGS

Community Planning and Development, Rocky Mountain, Denver, has reviewed available facts and data pertaining to the performance of Douglas County for its Consolidated Plan and the formula Community Development Block Grant Program specified in that Plan, 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 above, Douglas County has carried out its program substantially as described in its Consolidated Plan as approved and amended.
2. The Consolidated Plan, as implemented, complies substantially with the requirements of applicable laws and regulations.
3. Douglas County has the continuing capacity to carry out its approved program in a timely manner.