

U. S. Department of Housing and Urban Development

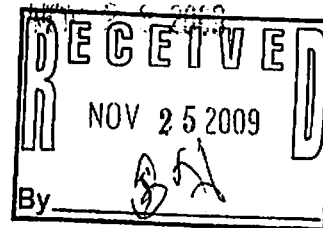


Community Planning and Development

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

Phone: 303-672-5414
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Honorable Peter Corroon
Mayor of Salt Lake County
2001 South State Street, Suite N-2100
Salt Lake City, UT 84190



Dear Mr. Corroon:

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 the county of Salt Lake for its 2008 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
- Fair Housing and Equal Opportunity
- Timeliness
- Caps on Obligations – CDBG, HOME, and ESG

Based upon our analysis and examination of the data available to us, except for the concerns from the Office of Fair Housing, we have determined that the county's overall progress has been satisfactory during the most recent program year. The county of Salt Lake appears to be administering its programs in a manner consistent with the applicable regulatory requirements. During the period of July 1, 2008 through June 30, 2009, Salt Lake 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 Ms. Judy K. Padgett, Community Planning and Development Representative at 303-672-5081 or via email at Judy.K.Padgett@hud.gov.

Sincerely,



LeRoy P. Brown
Director

Enclosure

cc: Mr. Michael Gallegos
Karen Wiley
Kerry Steadman
Jared Steffey
Randy Jepperson

ANNUAL COMMUNITY ASSESSMENT

JURISDICTION: Salt Lake County, Utah

PROGRAM YEAR START: July 1, 2008

PERIOD COVERED BY ASSESSMENT: Program Year 2008

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 county of Salt Lake, Utah's performance.

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

As we have mentioned in the past Salt Lake County is to be commended for addressing the needs of low- and moderate-income (LMI) residents. The county offers a variety of programs to address the affordable housing needs of its LMI residents, and it continues to look for new ways to meet the increasing demand for affordable housing.

The county is meeting the primary objective of the Community Development Block Grant (CDBG) Program, 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. The IDIS CDBG Financial Summary Report, PR26, shows that Salt Lake County is well above the statutory requirement of 70 percent LMI benefit, expending 96.42 percent of CDBG funds to benefit LMI individuals and families in PY 2008 for a two year overall benefit of 98 percent.

The county is meeting the requirements of the HOME Investment Partnership Program (HOME) through the funding of affordable housing activities, a tenant-based rental assistance program, and support of Community Housing Development Organizations (CHDOs).

The county is meeting the requirements of the Emergency Shelter Grants (ESG) Program through the funding of five agencies, The Road Home, Community Action, YWCA, Family Promise and Valley Mental Health to continue their programs to prevent homelessness, fight domestic violence, and provide shelter.

Projects funded in the current program year are consistent with the county's strategies and goals as listed in the Consolidated Plan and Annual Action Plan. The Action Plan provided for activities promoting expansion of affordable housing and homeownership opportunities, provision of housing and services for the homeless and persons with special needs, and community and economic development. In most cases, the county met or exceeded its goals and is on target to meet the goals outlined in the five-year Consolidated Plan. Once again, we recommend the county continue to identify the challenges hindering those activities that are falling short of goals (e.g., downpayment assistance) or reassessing overall goals in the coming Action Plan based on changing economic conditions and community priorities.

Part II. Summary of Grantee Performance

FAIR HOUSING - The Office of Fair Housing has the following concerns:

- The county is not following its full Citizen Participation Plan when providing notices for the CAPER as it does for the Annual Action Plan. The county did not notify many of the minorities or persons with disabilities about the availability of the CAPER for comment. In fact, the notice was sent only to the two main newspapers and people requesting the information; it did not send a notice to its regular list or media, nor its full list of community based and social service agencies that serve minorities and persons with disabilities.
- The affirmatively furthering fair housing section of the CAPER did not provide sufficient information regarding the specific activities funded in 2008 that overcame the impediments identified in the CAPER. It also did not state if outreach was provided to the underserved populations including minority groups, families with children and persons with disabilities within the community where the activities took place.
- The county is only providing limited data regarding female heads of household therefore; it is not known if they are being served.
- The county did not provide sufficient racial/ethnic, or disability data to determine if these populations are being adequately served. Based on the data that is provided, it seems that Hispanics and Pacific Islanders are not being served in proportion to the populations in the county. It is recommended that if these racial and ethnic groups, as well as female-headed households are under-represented, the county should increase its outreach efforts to these groups.

In conclusion, the county does an excellent job of providing information regarding the projects funded and the groups it is working with to ensure decent housing and a suitable living environment throughout the county. It is, however, not providing enough detail or correlating the projects and all of the activities to show how it is also affirmatively further fair housing choice. The county needs to provide the connection between the activities and the impediments, and then provide the outcomes with race/ethnicity and disability information in order to meet its reporting requirements.

CDBG – The regulations require that sixty days prior to the end of the grantee's current program year (PY), the amount of entitlement grant funds available but undisbursed by the U.S. Treasury should not be more than 1.5 times the entitlement grant amount for the current PY. The county had 1.43 grant years of funds remaining in the Line of Credit. This is below the timeliness requirement, but close to the 1.5 limit. The county should monitor its timeliness very closely.

The regulations limit the amount that can be obligated for planning and administrative costs to 20 percent of the sum of CDBG funds and current year program income. The IDIS report, PR26 (CDBG Financial Summary for Program Year 2008) indicates that the planning and administrative costs were 19.83 percent, within the 20 percent requirement of 24 CFR § 570.200(g).

The regulations also limit obligations for public services to no more than 15 percent of grant funds and prior year program income. The percentage of funds used by Salt Lake County for public services in the 2008 program year was 11.39 percent as reported in the IDIS report PR26.

The IDIS report PR26-Financial Summary reveals a cash balance in the revolving loan fund of \$1,228,580.41. If the county has not sent in its yearly interest earned on this fund it must do that immediately. Please send the payment to HUD CPD, attention Marlene Collazo along with a letter explaining the sources of the RLF funds.

On a final note, we monitored the CDBG homeowner rehabilitation program and found the county is diligent in ensuring its programs are properly funded and in compliance with regulatory and statutory requirements of the CDBG program.

HOME – Based on a review of IDIS reports, the county is meeting the requirements for commitment, CHDO reservation, and expenditure of its HOME funds. The HOME Program requires that 15 percent of each annual allocation be committed to CHDO activities. A review of the HOME Deadline Compliance Reports shows that the county is exceeding this requirement by reserving 18.2 percent of funds for CHDO activities.

Salt Lake County has utilized roughly seven percent of its HOME allocation for administration, meeting the ten percent limit set at 24 CFR § 92.207.

It is evident from narratives in the Annual Action Plan and CAPER that providing affordable housing is one of the county's main goals. Consistent with that goal, all HOME-funded housing activities have benefited persons or households with incomes less than 80 percent of the area medium income (AMI). We noted that of the completed rental projects, through June 30, 2009, 69.8 percent of all renters have incomes from zero to 30 percent of AMI. The overall total for benefit to LMI persons and households at 0 to 60 percent of AMI is 98.7 percent. We commend the HOME Program staff on its actions that have contributed to this percentage of benefit to the very low-income residents. The American Dream Downpayment Initiative (ADDI) funds from 2003 through 2008 have been fully expended.

ESG – According to IDIS, Salt Lake County has expended 94 percent of its 2008 ESG grant as of November 2, 2009, revealing the county is well on its way to meeting the two-year expenditure deadline. Similarly, based on IDIS input, we have concluded that Salt Lake County met the five percent cap on administrative costs (no funds were used for administration) and the 30 percent caps on essential services and homeless prevention for 2008. The FY 2008 allocation was \$106,192, of which, \$101,900 was allocated to five agencies to cover operating costs for shelters, domestic violence and homeless prevention. We commend the county for the expedient disbursement of ESG funds.

Part III. HUD Evaluation and Conclusions

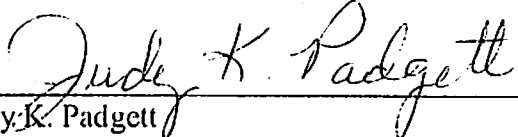
- A. **OVERALL EVALUATION** - Overall, Salt Lake County appears to be making strides in providing affordable housing and addressing its community and economic development needs.

B. CONCLUSIONS AND FINDINGS - Community Planning and Development (CPD), Denver, has reviewed available facts and data pertaining to the performance of the County of Salt Lake for its Consolidated Plan and the formula CPD Programs specified in that Plan including the Community Development Block Grant Program, the HOME Investment Partnership Act, and the Emergency Shelter Grant Program 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, Salt Lake County, Utah 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. Salt Lake County, Utah, has the continuing capacity to carry out its approved program in a timely manner.

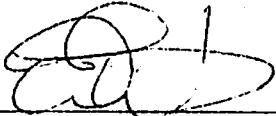
Part IV. APPROVAL

SUMMARY PREPARED BY

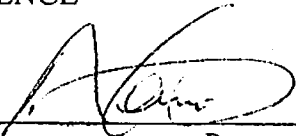


Judy K. Padgett CPD Representative 11/04/09 Date

REVIEW AND CONCURRENCE



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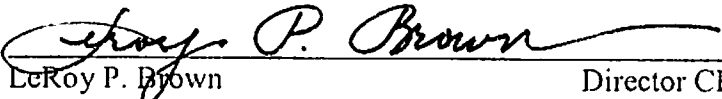


Program Manager

November 20, 2009

Date

APPROVAL



LeRoy P. Brown Director CPD 11/21/09 Date

**Correspondence regarding the 2008-09 Annual Community Assessment by
HUD**

December 22, 2009

Dear Director Brown & Judy Padgett;

We would like to thank you for your comments and support in the draft assessment regarding the services we provide to the low- and moderate-income residents of the County. We would however like to provide some additional information as we discussed during our Consultation Call regarding the comments from the Fair Housing Office in Part II - Summary of Grantee Performance.

The first comment was regarding not providing enough notice for the CAPER to minorities or person with disabilities. We did our line on page 27, Section G of the CAPER all the outreach that was provided to give all residents of the County an opportunity to comment on the CAPER. In addition to publishing the notice in the two newspapers, we emailed the notice to all the Non-Profit Agencies and interested parties we are currently working with or who have requested notification so they could post it for their clients; we had it sent out through the Mayor's Office of Diversity Affairs email list which reaches all Minority Agencies, Chambers of Commerce, and residents of the County; sent a Press Release through the Mayor's office; and attended all the Community Council meetings for the Unincorporated County to notify all Council members; and had a copy on our website and a copy available in our office for public review. We also attended the Community Council meetings to inform the members about the County's updated Housing & Needs Survey we had placed on the website to gather information for our new 5 year Consolidated Planning Process.

The second comment was regarding the lack of specific details of the activities funded in 2008 to overcome the impediments identified in the CAPER. We will be more specific in the future and appreciate the suggestions given by Michele during the Consultation Call.

The next two comments were regarding information on the clients served through the County's HUD programs. The Fair Housing Office does not have access to the IDIS reports. They contacted us so we emailed portions of the CAPER to their office to assist in their review. As you are aware, the new IDIS system had just come on line during the time we were inputting the data for the CAPER. We entered all the information for each project, however the fields in the new system are different from the old system and there is not a field to capture the female headed household information. In the future, we will provide this information in the narrative section of the report. We will also continue to work with the new program and the updates as they are implemented to ensure accurate data is available to your office. It would be helpful for the Fair Housing folks to have access to these reports and information on line to assist in their review in the future.

Thank you for this opportunity to respond to the comments in the assessment report. We value your input and enjoy a good working relationship with you and the Denver office. Please let us know if you need anything in addition to this information. After we receive your final report, we will make the report available to the public provide a copy to our independent public auditor as requested.

Regards,

Karen Wiley
Community Development Coordinator
Salt Lake County Government
Community Resources & Development Division
2001 South State Street, Suite S2100
Salt Lake City, UT 84190-2710

January 6, 2010

Dear Karen,

We greatly appreciate your comments. It is helpful to us know what you were thinking when you prepared your CAPER and we will work closely with the Office of Fair Housing to ensure they have what they need to review your CAPER. Because these comments do not change the final outcome of the Annual Community Assessment, the current Assessment is final.

Sincerely,

Judy K. Padgett
Community Development Representative
US Dept. of HUD
1670 Broadway
Denver, CO 80202