



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

November 17, 2016

Rebecca Gibson, Director
Knox County Community Development
400 Main Street
Knoxville, TN 37902

Dear Ms. Gibson:

SUBJECT: Annual Performance Assessment Letter and Report
Knox County, Tennessee
Program Year 2015: July 1, 2015 to June 30, 2016

The Office of Community Planning and Development (CPD) is required to assess the performance of each of its grant recipients at least annually. The review is the result of an ongoing process that assesses the quality of a grantee's performance over a period of time involving continuous communication and evaluation.

In conducting this assessment pursuant to Section 91.525, this Office assessed whether the County's management of its program funds is in compliance with the U. S. Department of Housing and Urban Development's (HUD) approved consolidated plan and its regulations. The scope of this analysis includes a review of the Consolidated Annual Performance and Evaluation Report (CAPER) for the past program year, as well as information obtained through program monitoring and audits. Also, this Office assessed whether progress has been made towards the regulatory goals identified in Section 91.1 of the consolidated plan regulations. In addition, the assessment included a review your jurisdiction's efforts to ensure that housing assisted under our programs is in compliance with contractual agreements and requirements of law.

The CAPER has been distributed to the Knoxville Field Office Director and the other program offices for review/comments. Any comments received are contained in the enclosed report.

Based on this analysis, this Office has determined that the Knox County's overall progress is excellent. The activities undertaken are consistent with the HUD-approved Consolidated Plan, and appear to be carried out in accordance with program requirements. The County has the continuing capacity to administer applicable CPD programs/housing initiatives.

In accordance with 24 CFR Section 91.525, if you have comments regarding this enclosed report, please submit them to this Office within 30 days of receipt of this letter. HUD may revise the report after considering your response. If we do not receive comments within the 30-day time period, this report will be considered final and can be made available to the public.

May we take this opportunity to remind you that the Minority Business Enterprise (MBE) Report is due each year within 10 days of September 30th. Also, as a reminder, the Section 3 report is due that same time as the CAPER, 90 days after the end of program year. Please check and verify the receipt of Section 3 reports (Form HUD 60002) In the Section 3 Performance Evaluation and Registry System (SPEARS) for program years 2013, 2014 and 2015. The SPEARS User Registration Guide can be found at:

<http://portal.hud.gov/hudportal/documents/huddoc?id=spearsuserregguide.pdf>

We also request your continued efforts to expend grant funds and enter progress and accomplishments data in a frequent and timely manner. Also, the Department will continue to provide a range of training opportunities on Affirmative Furthering Fair Housing (AFFH) and its requirements. A number of resources on AFFH and the Final Rule can be found at:

https://www.huduser.gov/portal/affht_pt.html

We continue to appreciate the positive working relationship that you and your staff maintain with this CPD Office. We look forward to continuing to support your jurisdiction's efforts meeting the goals in the Consolidated Plan, including assisting your residents with housing and other community development needs.

If you have any questions with respect to the enclosed comments or need technical assistance, please do not hesitate to contact Apryl LaMaster, Community Planning and Development Representative, at (865) 474-8224 or me at (865) 474-8225.

Very sincerely yours,



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

Enclosure

cc

Honorable Tim Burchett, Mayor of Knox County

**Annual Performance Assessment
Knox County, Tennessee
Program Year 2015
Consolidated Annual Performance and Evaluation Report (CAPER)**

Program Year End: 6/30/16
Report Due: 9/30/16
Report Received: 9/27/16

Funding Covered by CAPER:

Community Development Block Grant (CDBG):	\$988,797
HOME Investment Partnerships Program: (HOME)	\$300,486

CAPER Comments (Other Program Offices):

None received

Summary of Program Compliance

CDBG Program

- Timeliness of Expenditures [24 CFR 570.902]: Acceptable

Test date: May 2, 2016
Balance: \$843,123
Ratio: 0.85%

The CAPER indicated that 80.92 percent of the CDBG funds expended during the reporting period benefited Low and Moderate-income (LMI) persons either through direct benefit activities or activities benefiting low/mod areas.

CDBG: B-15-UC-47-0001

Amount Awarded: \$988,797
Amount Expended: \$942,579
Program Income: \$11,457
Balance: \$57,675

HOME Program

- HOME 2014 Commitments [24 CFR 92.500(d)(1)(B)]: Acceptable

2015 HOME Allocation: \$300,486
Commitment Deadline: 7/31/16

Commitment Requirement: \$8,694,309

Amount Committed: \$8,920,622

- HOME 2011 Expenditures [24 CFR 92.500(d)(1)(C)]: Acceptable

2015 HOME Allocation: \$300,486

Expenditure Deadline: 6/30/16

Expenditure Requirement: \$7,796,490

Amount Expended: \$8,908,359

- HOME Participating Jurisdictions (PJ) Open Activities [24 CFR 92.502(d)(1)]: Acceptable

Number of open activities exceeding standard: None

- HOME Match [24 CFR 92.218(a)]: Acceptable

Match Requirement: \$66,750

Match Reported: \$1,712,713

Excess Match: \$1,645,963

Other Program Requirements

- Regulatory Caps

Regulatory Caps: (Program regulations limit the amount of funds that can be expended on certain activities. For example, for HOME Community Housing Development Organization (CHDO) set-aside, the regulation establishes a minimum amount that must be committed to CHDO Activities). See below:

	Standard	Regulatory Requirement	Actual Expenditures	Actual Percentage
CDBG Public Service Obligations	<15% of Allocation (or dollar amount)	570.201(e) (1) or (2)	\$147,995.58	14.65%
CDBG Planning/Admin Expenditures/ plus PI	<20% of Allocation	570.200(g)	\$172,451.12	17.24%
HOME Administration	<10% of Allocation	92.207	\$25,492	8.48%
HOME CHDO Reserve	>15% of Allocation	92.300(a)	\$45,073	15%

- Monitoring/Audit

Knox County was given a score of seven on the annual risk analysis. Therefore, the grantee did not rank high enough to be selected for a program review.

Number of Open Monitoring Findings: None

Open Audit Findings: None

Number of Open Audit Findings: None