



Community Planning  
and Development

**U.S. Department of Housing and Urban Development**  
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**May 21, 2018**

David B. Phillips, Director  
Office of Economic and Workforce Development  
City County Building, Room 421  
210 Martin Luther King, Jr. Blvd.  
Madison, WI 53703-3342

Dear Mr. Phillips:

SUBJECT: 2017 Annual Community Assessment  
Dane County, Wisconsin

The provisions of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require the annual submission of performance reports by grant recipients receiving federal assistance through programs covered under these Acts. Additionally, these Acts require that a determination be made by the Secretary of the U.S. Department of Housing and Urban Development (HUD) that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received.

The Consolidated Plan regulations at 24 CFR 91.525 require HUD to evaluate and report to the public on a community's overall progress in the management of its program funds, compliance with the Consolidated Plan, the accuracy of performance reports, and the extent to which progress has been achieved toward the statutory goals identified in Section 91.1.

This letter is to report the results of HUD's review of Dane County's 2017 program year for the Community Development Block Grant (CDBG) and HOME Investment Partnership programs. It also provides HUD's determination of whether Dane County has satisfactorily reported on its Consolidated Plan activities and accomplishments.

Dane County's Consolidated Annual Performance and Evaluation Report (CAPER) was received on March 30, 2018. The report covered Dane County's 2017 program year. Dane County's Integrated Disbursement and Information System (IDIS) reports were also reviewed for the same time period.

### **EXPENDITURE CAPS**

In 2017, according to the IDIS report PR26 generated on April 4, 2018, 100% of Dane County's CDBG expenditures were budgeted for activities that benefited low and moderate-income persons, exceeding the 70 percent minimum program requirement. Public Service expenditures were at 12.86%, which is less than the statutory maximum of 15 percent for these activities.

The grant-based accounting interim rule implements two distinct compliance tests under §570.200(g) for planning and administration funds: the existing obligation test and a new origin year

expenditure test. Grantees must pass both tests to meet compliance for 2015 CDBG origin year and subsequent grants.

- **Program Year Obligation Test:** The amount of CDBG funds obligated during each program year for planning plus administrative costs, as defined in §570.205 and §570.206, respectively, must be limited to an amount no greater than 20% of the sum of the grant made for that program year plus the program income received by the recipient and its subrecipients (if any) during that program year.
  - Per the PR26 – CDBG Financial Summary Report generated on April 4, 2018, Dane County obligated 14.17% of its 2017 PY grant for planning and administrative activities, which is below the 20% Cap.
- **Origin Year Grant Expenditure Test:** No more than 20% of any origin year grant shall be expended for planning and administrative costs, as defined by §570.205 and §570.206, respectively. Program income expenditures for planning and administrative costs are excluded from this calculation. Per the PR26 - Activity Summary by Selected Grant Report generated on March 29, 2018:
  - Dane County has expended 20.00% of its **2017** Grant Year allocation on planning and administrative activities, which is at or below the 20% Cap.
  - Dane County has expended 20.00% of its **2016** Grant Year allocation on planning and administrative activities, which is at or below the 20% Cap.
  - Dane County has expended 15.72% of its **2015** Grant Year allocation on planning and administrative activities, which is at or below the 20% Cap.

Please note that since this calculation is based on the origin year grant's expenditures, entitlement grantees will need to monitor planning and administrative costs to ensure that the caps are not exceeded until 100% of the origin year grants are expended, as applicable.

## **TIMELINESS**

HUD evaluates timeliness based on the adjusted ratio of grant fund balances, which include program income (PI) and revolving funds. Per the IDIS PR56 report for CDBG funds generated at its 60-day review, Dane County's timeliness ratio was 1.51, which does not comply with the maximum 1.50 timeliness standard. Please be advised that Dane County was sent a First-time Noncompliance with Timely Expenditure Requirements letter on 12/4/2017 and the County submitted a plan to meet the next timeliness test. Please contact your CPD Representative to discuss how you will ensure the County will meet your future timeliness test coming up on 11/2/2018.

## **PERFORMANCE REPORTING AND COMPLIANCE**

Based on an analysis of IDIS reports available to HUD's office, Dane County enters data and reports on accomplishments in this system. The County continues to effectively report data through the Integrated Disbursement and Information System (IDIS) on its CDBG program. This reporting is very important in providing citizens and the Congress with tangible data that supports the effectiveness of this program. Please continue to record project descriptions, matrix codes, expenditures, and proposed and actual accomplishments in IDIS on a timely basis. Complete and accurate information on the results and benefits of Dane County's programs is essential in order to measure performance in meeting the needs of low and moderate-income citizens.

The information in Dane County's CAPER narrative, charts, and IDIS generally provides the numbers of individuals and households assisted through Dane County's federal and state programs. In addition to the CAPER narratives, the County used detailed tables to report on progress and accomplishments. HUD's review of both housing and non-housing projects identified in the report indicates that the highest priority community development needs, identified in the Dane County's Consolidated Plan, are being addressed.

### **DANE COUNTY MONITORING OF SUB-RECIPIENT ACTIVITIES**

Based on the information provided in the Dane County FY2017 CAPER, it is clear that Dane County's program staff continue to monitor and provide technical assistance to housing and non-housing program partners. Although the CAPER does not provide the results of specific monitoring visits, the procedures followed for reviews of the funded projects were adequately described in the narrative section of the report.

### **HUD PROGRAMMATIC MONITORING**

Our most recent monitoring occurred in 2013 for CDBG. Our program monitoring resulted in two (2) findings and two (2) concerns. These findings and concerns were closed as a result of improved IDIS data and reporting and changes that were made to the CDBG contract for CDBG sub-recipients. Dane County is scheduled for a CDBG monitoring in FY2018.

### **FAIR HOUSING AND EQUAL OPPORTUNITY (FHEO)**

A primary goal of the Department is to reduce housing discrimination, affirmatively further fair housing through CPD programs, and promote diverse, inclusive communities. To that end, we encourage your community to take all measures necessary to ensure compliance with the Fair Housing requirements associated with these funds. As a reminder, the County is obligated to affirmatively further fair housing which means that you must conduct an Analysis of Impediments to Fair Housing Choice (AI), take appropriate actions to overcome the effects of any identified impediment, and maintain records reflecting the analysis and actions. HUD encourages communities to collaborate by developing a regional AI, as regional collaborations provide opportunities to combine resources, and address fair housing issues that cross jurisdictional boundaries.

A copy of your Consolidated Annual Performance and Evaluation Report (CAPER) was provided to the Office of Fair Housing and Equal Opportunity (FHEO) for review. FHEO has reviewed the City's 2017 CAPER. The results of the review were shared with you via email. If FHEO has any further concerns or comments, they will convey this information to Dane County under separate cover.

### **CONCLUSION**

HUD's assessment has included reviews of the County's consolidated planning process, management of grant funds, progress in carrying out local policies and program activities, compliance with program requirements, the accuracy of performance reports, and accomplishments in meeting Departmental objectives. Based on the information currently available to this office, we have determined

that the County's overall progress is satisfactory and that Dane County has the capacity to continue implementing and administering the County's Consolidated Plan program activities in accordance with the applicable statutory requirements. HUD congratulates the County on its many accomplishments during the program year.

Additionally, you are reminded of Dane County's responsibilities to comply with all applicable cross-cutting laws and related program requirements for the County's CDBG Program. Cross-cutting requirements, include (but are not limited to) Financial Management and Procurement, Environmental Review, Federal Labor Standards, Acquisition and Relocation, Fair Housing and Non-Discrimination, and Lead-Based Paint. Failure to comply with these requirements may cause costs to be determined to be ineligible and require the County to reimburse its CDBG line of credit with non-Federal funds.

If you have any comments regarding the content of this letter, please submit them to this office within 30 days of the date of this letter. If justified, we may revise HUD's report on the County's performance after considering Dane County's views. This report must be made readily available to the public no later than 30 days after receipt of HUD's comments. We encourage the County's dissemination of this report to interested persons. In particular, we request that this report be provided to the County's independent auditor conducting an audit to meet the requirements of the Single Audit Act, or at the commencement of the next audit if this year's is completed. Also, HUD will make this information available to the public upon request.

We look forward to continuing our work with you and members of your staff to accomplish our mutual objectives for viable urban communities. If you or members of your staff have any questions about this letter, please do not hesitate to contact Senior CPD Representative Michael Martin at (414) 935-6639 or [michael.e.martin@hud.gov](mailto:michael.e.martin@hud.gov).

Sincerely,



Charlotte John-Gomez, Director  
Office of Community Planning  
and Development, 5ID

cc: ✓ Peter Ouchakof, CDBG/RLF Administrative Specialist  
Joe Parisi, Dane County Executive