



**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 8, 2018

John Callow, Community Development Director  
City of Murfreesboro  
211 Bridge Avenue  
Murfreesboro, TN 37133

Dear Mr. Callow:

**SUBJECT:** Annual Performance Assessment Letter and Report  
Murfreesboro, Tennessee  
Program Year 2017: July 1, 2017 – June 30, 2018

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. As the lead agency for the Consolidated Planning Programs, this assessment letter and report are being transmitted to your Office.

In conducting this assessment pursuant to Section 91.525, this Office assessed whether the Murfreesboro'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 CPD's program and fiscal compliance reviews, including 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 of your jurisdiction's efforts to ensure that housing assisted under our programs is in compliance with contractual agreements and requirements of law. During this assessment, progress under the Consolidated Planning Programs was reviewed, along with Continuum of Care grants awarded in jurisdiction. In addition, any CPD -administered grants and initiatives were also reviewed. The CAPER was shared with other HUD program offices for review and comments. No comments were received. The CAPER was found acceptable and approved.

In addition to meeting the mandates of the statutes, the Office of Community Planning and Development (CPD), in consultation with the Offices of Public Housing, Multifamily Housing, Single Family Housing, Chief Counsel, Fair Housing and Equal Opportunity and the Field Office Director, completed this assessment, which provides a basis for the City of Murfreesboro and HUD to work together collaboratively in achieving housing and community development goals.

We congratulate the City of Murfreesboro for the Consolidated Planning Programs on the accomplishments toward implementing programs and policies, which carried out the strategies, as outlined in the 2015 Consolidated Plan (July 1, 2015 – June 30, 2019). The submitted CAPER covered the period of July 1, 2017, through June 30, 2018. Using the "e ConPlanning Suite," the Program Year 2017 Consolidated Annual Action Plan was submitted and approved by this Office.

During the 2017 Program Year, the City of Murfreesboro implemented many worthwhile activities and programs and expended funds in a timely manner. Based on the risk analysis review conducted by CPD, the City of Murfreesboro was not monitored during the Program Year. Sixty days prior to the end of the 2017 Program Year, May 2, 2018, a total of \$411,344.80 in program years of Community Development Block Grant (CDBG) funds remained in the grantee's line of credit which met the timely use of funds test as required by 24 CFR 570.902.

In the review of the CAPER, the information entered in Integrated Disbursement Information System (IDIS), HUD Program Offices comments, and CPD staff discussions/knowledge of the jurisdiction's activities during the 2017 Program Year, the City of Murfreesboro is recognized for a number of noteworthy accomplishments including the following:

1. The Integrated Disbursement Information System (IDIS) PR26 – CDBG Financial Summary Report indicated that 100 percent of the CDBG funds expended during the reporting period benefited low- to moderate-income persons either through direct benefit activities or activities benefiting low/mod areas.
2. Affordable housing is the City's highest priority and 64.4 percent of available CDBG funds were invested in housing-related activities. Eight owner-occupied single-family homes were rehabbed; 10 first-time homebuyers were assisted with loans to help cover down payments and closing costs.
3. The City assisted The Journey Home with purchase of a duplex and The Charter Group a single-family residence. These units will be used to provide affordable rental housing to households with incomes at or below 50 percent of the AMI. The City also assisted Rutherford County Area Habitat for Humanity purchase a building lot which was then subdivided on which two single-family homes will be constructed on 2018-19 and then sold to low-income families.
4. More than 2,300 residents of Murfreesboro received services provided by one of 13 agencies which received CDBG Public Service Grants.

Based on this analysis, this Office has determined that Murfreesboro's overall progress is acceptable. The activities undertaken are consistent with the HUD-approved Consolidated Plan. The City of Murfreesboro has the continuing capacity to administer the Consolidated Planning programs. As the city goes forward with its housing and community development activities, it is encouraged to pay close attention to the following:

1. Timely Reporting in IDIS. Frequent reporting in IDIS is crucial to providing the most accurate data on how funds are being used. Although the quarterly entering of data into IDIS is recommended, more frequent reporting is preferred.

2. **Keeping Grantee User IDIS Accounts Active.** Grantee user IDIS on-line password expires every 90 days; so to ensure access users are advised to use IDIS at least twice a month. Users who do not use IDIS within a 90-day period will find their accounts are de-activated. If an user ID has been de-activated, the user will not be able to access IDIS. Grantee users who wish to renew a lapsed ID must re-submit an IDIS Access Request Form to Knoxville CPD.
3. **Grant Based Accounting.** HUD has updated IDIS to phase out the first-in-first-out (FIFO) accounting methodology. These changes to IDIS ensure that funds are both committed and disbursed in IDIS on a grant-specific basis, instead of using the FIFO (oldest money disbursed first) method that has been used for the CDBG, HOME, and HOPWA Programs to date. Grant funds are already committed and disbursed in IDIS on a grant-specific basis for the ESG Program. For the other formula programs, the initial changes in IDIS implement grant-specific accounting beginning with FY 2015 formula allocations. With these changes, IDIS will specifically tie activity funding/commitment and draws to the specific grants in IDIS. Funds from pre-2015 grants will continue to be committed and disbursed using the FIFO method. In addition, when accounting for Planning and Program Administration (P&A) expenditures, the City is advised to make sure that when drawing down funds close attention is given to making applicable drawdowns from the entitlement grant and program income to verify that no more than 20 percent was expended in total during the program year for P&A, as required and documentation of the compliance is documented in IDIS.
4. **Commitments and Expenditures.** Just a reminder that overcommitting funds to an activity may result in not meeting expenditures and timeliness requirements. Please pay close attention to committing and obligating funds for activities. Once a decision is made that excess funds have been allocated, please consider allocating the funds for other essential activities which can assist your jurisdiction in expending the funds in a timely manner to meet expenditure and timeliness deadlines. Also, pay close attention to whether a substantial amendment may be required.
5. **Technical Assistance Requests.** Technical assistance is available for grantees to implement, operate, or administer CPD-funded program. To make the TA request contact Knoxville CPD or go to the below website:

<https://www.hudexchange.info/program-support/technical-assistance/implementation>

In accordance with 24 CFR Section 91.525, if you have comments regarding this and 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. That information should be submitted to this Office. Also, as a reminder, the Section 3 report (Form HUD 60002) is due that same time

as the CAPER, 90 days after the end of program year and is required to be entered into the Section 3 Performance Evaluation and Registry System (SPEARS) at the below website:

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

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 Michelle Lewis, Community Planning and Development Representative, at (865) 474- 8229 or me at (865) 474-8225.

Very sincerely yours,



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

Enclosure

cc

Honorable Shane McFarland  
Mayor, City of Murfreesboro

**Annual Performance Assessment  
Murfreesboro, Tennessee  
Program Year 2017**

**Consolidated Annual Performance and Evaluation Report (CAPER)**

Program Year End: 2017  
Report Due: September 29, 2018  
Report Received: September 27, 2018

Funding Covered by CAPER:  
Community Development Block Grant (CDBG): \$ 748,138

CAPER Comments:  
Per email from Mary Barrett Brewer, Chief Counsel Tennessee, dated 10/15/2018, OGC has no comments on the 2017 Consolidated Annual Performance and Evaluation Reports (CAPERs).

**Summary of Program Compliance**

**CDBG Program – B-17-MC-47-0009**

- Timeliness of Expenditures [24 CFR 570.902]: Acceptable

Test date: May 2, 2018  
Balance: \$467,586.25  
Ratio: .6

The Integrated Disbursement Information System (IDIS) PR26 – CDBG Financial Summary Report indicated that 100 percent of the CDBG funds expended during the reporting period benefited low- to moderate-income persons either through direct benefit activities or activities benefiting low/mod areas.

**Continuum of Care (CoC) Program**

Name of local Continuum: Murfreesboro/Rutherford County  
Amount awarded in 2016: \$566,923  
Amount awarded in 2017: \$525,674

**Other Program Requirements**

- Regulatory Caps

Regulatory Caps: (Program regulations limit the amount of funds that can be expended on certain activities.

	<b>Standard</b>	<b>Regulatory Requirement</b>	<b>Actual Expenditures</b>	<b>Actual Percentage</b>
CDBG Public Service Obligations	<15% of Allocation (or dollar amount)	570.201(e)(1) or (2)	\$124,224	14.20%
CDBG Planning/Admin Expenditures/ plus PI	<20% of Allocation	570.200(g)	\$153,259	18.58%

- Monitorings/Audits Reviews

Was the grantee monitored in during the 2017 PY? No

Number of any prior year findings remaining open: 0

Any Environmental Review, Lead-Based Paint, Acquisition/Relocation, Labor Standards, or Fair Housing and Equal Opportunity's monitoring reviews; any Findings remaining open and for which office:

Any open Audit Findings:0

Number of Open A133 Audit Findings: 0

Number of any open Office of Inspector General findings:0