



**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 14, 2014

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

Dear Mr. Callow:

**SUBJECT: Consolidated End-of-Year Review - Program Year 2013  
City of Murfreesboro, Tennessee**

Annually, the U.S. Department of Housing and Urban Development (HUD) is required to conduct a review of performance by grant recipients. The review consists of: analyzing the City's consolidated planning process; reviewing management of funds; determining the progress made in carrying out HUD policies and programs; determining the compliance of funded activities with statutory and regulatory requirements; and determining the accuracy of required performance reports; as well as evaluating accomplishments in meeting key Departmental strategic goals and objectives. Concurrently, the Secretary of HUD must determine 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. This annual assessment covers the 2013 Program Year, for the period of July 1, 2013, to June 30, 2014.

In addition to meeting the mandates of the statutes, this assessment provides a basis for Murfreesboro and HUD to work together collaboratively in achieving housing and community development goals. 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 completed the assessment.

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 2013 Consolidated Plan (July 1, 2013, to June 30, 2014). This is the fourth year of reporting under the 2010 Plan.

During the 2013 Program year, the City continued worthwhile activities and expended funds in a timely manner. Sixty days prior to the end of the 2013 Program Year (May 2, 2014), a total of .73 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 Consolidated Annual Performance and Evaluation Report (CAPER), the information entered in the Integrated Disbursement Information System (IDIS), HUD Program Offices comments, and CPD staff discussions/knowledge of the jurisdiction's activities during the 2013 Program Year, the City is recognized for a number of noteworthy accomplishments including the following:

1. **Low- and Moderate-Income (LMI) Benefit.** The CAPER indicated once again that near 100 percent of the CDBG funds expended during the reporting period benefited LMI persons either through direct benefit activities or activities benefiting low/mod areas.
2. **Housing Rehabilitation Program.** During the 2013 program year, the City continued to provide affordable housing opportunities for income-eligible homeowners including home rehabilitation, reconstruction, sewer tap fees, and emergency repairs utilizing its CDBG funding. A total of \$309,238.06 in CDBG funds was expended to: rehabilitate five homes; reconstruct two homes; conduct emergency rehabilitation to one house; and provide sewer tap assistance to one house.
3. **Expanding Affordable Housing Opportunities.** Murfreesboro offered no-interest loans of up to \$10,000 to income-eligible first-time home buyers. The loans may be used for closing costs and principal reductions. The loan is due on the sale of the home. A total of 15 households received a combined total of \$200,949.23 in CDBG assistance.
4. **Public Services.** Fourteen agencies were awarded public service grants to carry out a variety of public service projects. These activities included: health care services, adult day care, child abuse prevention, reading literacy assistance, financial literacy, and homeless assistance. A total of 6,473 residents benefitted from these services. For the reporting year, the City through its agency partners expended \$117,557 in CDBG funds to provide these needed services.
5. **Assistance to the Homeless.** The City has continued to work and participate in the Murfreesboro/Rutherford County Continuum of Care (CoC). For the 2013 CoC funding cycle, a total of \$600,865 was awarded to 10 member agencies. In addition to the CoC funding, the City received Emergency Solutions Grants (ESG) Program funding from the Tennessee Housing Development Agency to address continuum of care needs.

The Office of Fair Housing and Equal Opportunity (FHEO) reviewed the Murfreesboro CAPER for compliance to the Affirmatively Furthering Fair Housing Related Program Requirements and recommended approval. A copy of the comments is enclosed.

The One CPD Technical Assistance Program has been changed to better assist out grantees. The name is changing to Community Compass and it will continue to provide technical assistance in implementing any local housing and community development activities. The procedures for access to such technical assistance are still being drafted. Once finalized, you will be informed of the process. In the meantime, please continue to submit your requests either through Knoxville CPD or at the technical assistance website.

Again, the Department asks for your collaboration and partnership in several of our priorities and strategic goals, including: addressing the needs of returning veterans and their families and in addressing housing and providing supportive services for the homeless as governed by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH Act). In addition, here in Tennessee, we ask your assistance in considering funding activities to assist those homeless youth just coming out of foster care. This is a growing problem in Tennessee.

HUD will also continue to work with our grantees in implementing activities which promote and increase energy efficiency and make healthy home improvements, prevent foreclosures, preserve affordable rental housing, reduce residential vacancy rates, and reduce homelessness, including Veterans, family and chronic homelessness. The Department will continue its quest to “transform the way it does business” with our partners to make sure our programs and funding are efficient, effective, transparent, and protecting the public trust. Major emphasis will continue on building sustainable communities free from discrimination and partnering with other Federal departments in these efforts. During the 2014 Program Year and as you plan for the 2015 Program Year, please pay close attention to the following:

1. **Frequent, Accurate, and Up-to-date Reporting In IDIS.** At the end of each Federal fiscal year, HUD reports information on the accomplishments achieved using CDBG and HOME funds in its Annual Performance Report. This report uses the accomplishments reported by grantees in IDIS to measure the success of the Consolidated Planning Programs, especially HOME and CDBG, in achieving goals. This information is analyzed by the OMB and Congress and is an important consideration in future funding of the program. Therefore, it is critical that your jurisdiction reports all accomplishments for each of its activities in a timely manner. While some activities will not have accomplishments for the current fiscal year, most will. In addition, where feasible, make sure to include entries relative to lead based paint and energy “green” accomplishments. This will enable CPD to capture data needed in those areas. At the same time, please pay close attention to making sure that data entered into IDIS complies with the regulations and have accomplishments which can be documented in your applicable funded program.
2. **Timely Completion of Activities.** Please take time to review any stalled activities to make sure that they are completed in a timely manner. As you know, this Department is always available to offer technical assistance and guidance.
3. **Minority Business Enterprise (MBE) Reporting.** Executive Orders 11432 and 11625 require all Federal agencies to promote MBE, including women business enterprises, participation in their programs. The City is encouraged to expand its efforts in these areas and submit the MBE report (HUD Form -2516) on the Consolidated Plan Program funds. The next MBE report, “Contract and Subcontract Activity,” will cover the period of October 1, 2014 - September 30, 2015. The completed form has a submission date within 10 days of September 30<sup>th</sup> each year.

4. **Section 3 Reporting.** The Department encourages compliance to Section 3 of the HUD Act of 1968, and implementing regulations at 24 CFR Part 135. Section 3 provides to the greatest extent feasible opportunities of employment and training be given to lower income residents of the project area and contracts be awarded to businesses located in or owned substantially by residents of the project area. It helps low-income residents gain the skills and jobs needed to become self-sufficient. The program also provides opportunities for qualified, low-income business owners to receive preference in bidding on HUD-funded contracts. Grantees are required each year to submit a Section 3 Report, which is due for entitlement grantees at the same time they submit their CAPERs.

At this time, Section 3 Summary Reporting System remains unavailable for the submission of Form HUD 60002 by covered agencies. The Department is aware of the challenges that this inconvenience presents. Please be aware that no recipients will be held in noncompliance for failing to submit 2013 or 2014 Section 3 reports in time, and the unavailability of the system should not result in negative findings during the annual audits such as those conducted pursuant to the Single Audit Act (i.e., OMB Circular: A-133). HUD will notify recipients by email when the Section 3 Summary Reporting System is re-launched and will communicate new due dates at that time. You are encouraged to sign-up for the Section 3 listserv at [www.hud.gov/section3](http://www.hud.gov/section3) to receive updates about the status of the system and other relevant information.

5. **Conflict of Interest Requirements.** We would like to take this opportunity to remind all grantees of the conflict of interest regulations regarding all of the Consolidated Planning programs: CDBG at 24 CFR Part 570.611; HOME at 24 CFR Part 92.356, ESG at 24 CFR Part 576.57(d) and 24 CFR 570.611(d) & (e), and HOPWA at 24 CFR Part 574.625. All of the Department's programs are governed by conflict of interest requirements. Each program provides information on what may be considered a conflict and who may be covered. In addition, each provides a process by which a grantee can contact CPD to request an exception to the conflict of interest regulations. Failure to comply with the conflict of interest provisions will result in funding connected to the conflict being questioned and disallowed. We encourage all of our grantees to implement conflict of interest procedures that will assist all employees, elected officials and subgrantees in being in compliance and will assist the grantee with early detection of possible conflict of interest matters. CPD and the Chief Counsel are always available to provide guidance on possible conflict of interest compliance matters.

As a result of our review of the CAPER and applicable information on progress and compliance, HUD has determined that the City has the continuing capacity to implement and carryout the Consolidated Planning programs and that for the 2013 Program Year the progress has been acceptable. You are invited to submit to this Office, within 30 days, your written comments about the content of or conclusions expressed in this letter. Please make this letter available to the public within 30 days of its receipt or the submission of your comments to HUD.

We also encourage the sharing of this assessment report with: the media, those on your mailing list of interested persons, members of your advisory committee, and/or those who attended hearings or meetings. HUD will make this information available to the public upon request and may provide copies of this report to interested citizens and groups. If you have any questions, please call me at (865) 545-4391.

Very sincerely yours,



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

Enclosure

cc

Honorable Shane McFarland  
Mayor of Murfreesboro