



U.S. Department of Housing and Urban Development
Columbus Field Office
Office of Community Planning and Development
200 North High Street
Columbus, Ohio 43215-2499

January 18, 2022

Ms. Adrian Ackerman
Community Development &
Housing Director
30 North Diamond Street
Mansfield, OH 44902

Dear Ms. Ackerman

SUBJECT: FY-2020 Consolidated/Annual Plan -- End-of-Year Community Assessment

Under the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, HUD is charged with making a formal determination at least once a year that each grant recipient is in compliance with the statutes and has the capacity to continue implementing and administering the programs for which grants have been provided. This letter reports the results of our evaluation of your subject Program Year.

The End-of-Year Assessment is based on our review of the Consolidated Annual Performance and Evaluation Report (CAPER) for the Community Development Block Grant (CDBG) Program and Home Investment Partnership (HOME) Program. We also considered any audits performed on your programs and monitoring results.

OVERALL OBSERVATIONS

Our assessment included reviews of your consolidated planning process, management of grant funds, progress in carrying out your policies/program activities, compliance with program requirements, accuracy of performance reports, and accomplishments in meeting Departmental objectives.

Mansfield is performing in an untimely manner. As of May 2, 2021 Mansfield, had an overall adjusted draw ratio of 1.76. While no corrective actions were being pursued during the timeliness suspension due to the COVID-19 pandemic, this ratio is still being noted as a program deficiency. Mansfield has an upcoming test date on May 2, 2022 and should attempt to bring the draw ratio into compliance. Mansfield is meeting program thresholds for CDBG obligations and expenditures within program progress, planning and administration, and public service. In addition, benefits to low- and moderate-income (LMI) persons exceed HUD's 70 percent requirements.

Our review of status reports for the HOME Program reveals the city is not meeting the requirements of the HOME Program for the reservation of funds to Community Housing Development Organizations (CHDO's). It should be noted that an effort to build capacity on this front should continue to be pursued. The most recent HOME Program Snapshot report available,

for the period ending September 30, 2019, shows that the city ranks 22nd in the State overall when compared to the other HOME Participating Jurisdictions in Ohio.

CAPER REVIEW

As you know, a large part of our Annual End-of-Year Assessment consists of reviewing your CAPER, and we have detailed that review in this letter. Progress is assessed by conducting and Overall Progress and an Annual Progress Review.

The Overall Progress Review determines the number of years of funds that remain unspent as of the end of the Program Year. As of June 30, 2021, your unexpended balance was \$1,224,321.60. Based on the FY-2020 grant amount of \$874,317.00, this unexpended balance is equal to 1.4 years of funding. Therefore, your overall progress was within the acceptable standard of 1.5 years or less.

However, as cited previously, Mansfield has performed in an untimely manner as it relates to draw down ratios on the *date* of the official timeliness test, which occurred on May 2, 2021. Please maintain contact with the Columbus Field Office regarding any slow-spending projects and take steps necessary to increase expenditures and in order to be in compliance at the next timeliness review.

The Annual Progress Review examines expenditures made in the Program Year \$731,208.37 as compared to the grant (\$874,317.00). This computation results in an expenditure level of 83.63 percent. The acceptable rate for annual progress is 50 percent or more. Therefore, the city was in compliance with the annual progress standard.

A review of public service expenditures is necessary to ensure that the grantee is within the 15 percent statutory limit. Based on our review, the public service expenditures minus unliquidated obligations \$108,773.75 (10.2 percent) are less than the allowable cap of \$159,917.12. Therefore, the grantee was within the 15 percent limit.

The CAPER indicates program income of \$112,215.32 as received during this reporting period. The anticipated program income of the 2020 Annual Action Plan was \$0. The difference of \$99,797 surpasses the \$25,000 allowable difference. Please provide us with an explanation and ensure future Action Plans account for any anticipated program income.

The primary reason for reviewing the planning and administrative expenditures is to determine if the expenditures are within the 20 percent statutory limitation as mandated in 24 CFR 570.200(g). The planning and administrative expenditures and unliquidated obligations of \$165,314.28 (16.76 percent) were within the 20 percent allowable cap of \$197,306.46.

This review also determines if you have met the HUD requirement of using at least 70 percent of CDBG funds for activities benefiting LMI persons. The amount expended that qualified as LMI benefit was \$559,808.89, which results in 100 percent of your overall expenditures being utilized for LMI persons.

CONCLUSION

Based on information currently available to us, we have determined that you have the capacity to continue implementing and administering your Consolidated Plan program activities in accordance with the applicable statutory requirements. However, there are two concerns and corrective actions are identified.

Concern #1: Timeliness Requirement: Mansfield has not met timeliness requirement in several consecutive years. While corrective actions are suspended due to the COVID-19 pandemic, it is noted as a deficiency.

Corrective Action: Please take steps necessary to increase expenditures in order to be in compliance at the next timeliness review (May 2, 2021).

Concern # 2: CHDO Set-Aside Requirement: Mansfield has not identified CHDO to perform work under the HOME program. While the COVID-19 pandemic provides CHDO-related waivers and suspensions, particularly the suspension of the CHDO set-aside requirement for PJ's FY17-FY20 allocations (which the city is benefitting from), this is noted as a program area ripe for capacity building to meet that requirement.

Corrective Action: The PJ and any potential CHDO should review all the online resources available, particularly the Building HOME Training and the CHDO Opportunities in HOME training. Further in-depth and on-site technical assistance provided by the Office of Affordable Housing can be pursued through the HUD Exchange to promote capacity building.

As a result of this overall analysis, we have determined that Mansfield's overall progress is satisfactory, and your CAPER is acceptable.

However, within 30 days from the date of this letter, please address the program income issue referenced in the CAPER section.


PUBLIC ACCESS

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

If you have any questions, please contact Jordan Frase, Community Planning and Development (CPD) Representative, at Jordan.C.Frase@hud.gov

Sincerely,

DocuSigned by:



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Matthew C. LaMantia, Director

Office of Community Planning & Development