



U.S. Department of Housing and Urban Development

Minneapolis Field Office
920 Second Avenue South, Suite 1300
Minneapolis, Minnesota 55402-4012

JAN 17 2014

Matt Glaesman, Community Development Director
City of St. Cloud
400 Second Street South
St. Cloud, MN 56301

Dear Mr. Glaesman:

SUBJECT: Review of 2012 Program Year and Consolidated Annual Performance and Evaluation Report (CAPER).
Community Development Block Grant (CDBG) Program

HUD is required to conduct an annual review of performance by grant recipients. Additionally, the Secretary must determine that the grant recipient complies with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. This is to report to you the results of our reviews.

The City of St. Cloud was awarded \$504,870 in program year 2012. This represents year three of your Five-Year Consolidated Plan. The St. Cloud Housing and Redevelopment Authority (HRA) also reported program income from the Housing Rehabilitation Program of \$11,732, which was utilized for additional housing rehabilitation activities.

The Consolidated Annual Performance and Evaluation Report is the city's assessment of accomplishments toward meeting the annual goals and outcomes established with the five-year plan. This year, St. Cloud met their housing objectives by continuing their partnership with the HRA by providing deferred payment housing rehabilitation loans for homeowners in targeted residential neighborhoods. Eleven low- and moderate-income households received assistance from a goal of ten.

The city's priority objective of developing support systems for homeless persons was accomplished through partnerships with local housing and human service providers and advocates. The city also hired a consultant to assess current shelter needs and barriers to housing. The results of this assessment will be made available soon.

The city's other priorities include addressing impediments to fair housing and child abuse and neglect prevention activities. This is accomplished by development of a Regional Human Rights Office within the city and providing funds for child care crisis assistance.

The city has allocated needed resources to public facility improvements providing services to the disabled persons and improvements to youth facilities. These services provide improved mobility to persons who might otherwise be homebound and to youth with nowhere

else to go for academic assistance, social interaction and support services. The investment the city has made will continue to impact families for years to come.

Monitoring and Compliance

During the program year, the city's CDBG program was monitored for regulatory and statutory compliance. During our on-site visit, we cited weaknesses in the city's subrecipient monitoring process. We also noted a concern about how the Human Right's office was complying with meeting a national object and in allocating time toward low- and moderate income households. While Human Rights is considered a public service activity, documentation of services to the target population and the time spent providing the services must support the funding amount. Direct cost allocation to the eligible activities was recommended and we await the city's provision of evidence of both services and expenditures.

Conclusion

Based on HUD's review of the city's CAPER submission and other evidence of performance in administering programs during the past year, we have determined that the City of St. Cloud has carried out its programs substantially as described in its consolidated plan submission, and has the continuing capacity to carry out the approved programs in a timely manner.

We thank you and your staff for your efforts in meeting the needs of the most vulnerable in St. Cloud. We also appreciate the partnership we share with your community. If you have any questions or comments, please contact, Kathleen J. Hines, CPD Financial Analyst at (612) 370-3019 extension 2285, or at kathleen.j.hines@hud.gov.

Sincerely,



Michele K. Smith, Director
Office of Community Planning and Development

cc: Tammy Campion, AICP, Senior Planner
Carla Chapman, AICP, Senior Planner