



JAN 07 2010

Honorable Phil Young  
Mayor of Eden Prairie  
8080 Mitchell Road  
Eden Prairie, Minnesota 55344-4485

Dear Mayor Young:

Subject: Consolidated Plan End-Of-Year Review – 2008 Program Year

HUD is required to conduct an annual review of performance by grant recipients. This is to report to you the results of our review. Additionally, the Secretary 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.

The Consolidated Plan covers four programs including the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Emergency Shelter Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The City of Eden Prairie receives funding under two of these. It is a direct recipient of funding under the CDBG Program and it participates as a member of the Hennepin County HOME Program Consortium, of which Hennepin County is designated as lead entity. During the 2008 program year, however, it did not receive any HOME Program funding.

## Report

We congratulate the City on its many accomplishments during the 2008 Program Year that covers the period July 1, 2008 through June 30, 2009. We are pleased to report that our assessment of the City's timely expenditure of CDBG funds, including any applicable CDBG program income, reveals compliance with the CDBG Program regulations. Acceptable performance is having no more than 1.5 times of its last CDBG grant remaining unspent. Our assessment conducted on May 1, 2009 identifies a balance of unspent grant and program income funds at .97 times its last CDBG grant. We anticipate that the City will meet the 1.5 test when we conduct our next assessment in May.

Other noteworthy CDBG Program accomplishments based on the City's 2008 Consolidated Annual Performance Evaluation Report (CAPER) include:

- Expending over \$1 million dollars of CDBG and program income funds during the 2008 Program Years for housing, public services, and general administrative activities.
- Expending 85.41% of its CDBG funding for activities benefiting low- and moderate-income persons. This greatly exceeds the minimum statutory requirement of 70%.
- Substantially exceeding a number of its annual objectives in the areas of decent housing, suitable living environment and economic development. Specifics include completing 177% of its 2008 goal in providing tenant advocacy services; completing 138% of its

2008 goal in assisting households with homemaker, maintenance and chore services; completing 129% of its 2008 goal in providing emergency housing assistance and completing 135% of its 2008 goal in providing emergency vehicle repairs.

During the 2008 Program Year, Eden Prairie obligated more funds for public service activities than is permitted by CDBG regulations and statute. To remedy noncompliance, we have informed City staff to adjust the amount of funding for public service activities in the 2010 program year. Therefore, the City must reduce its public service obligations in its 2010 program year by \$24,808.49, the amount by which it exceeded the 15% limit in 2008.

### **Background Information**

HUD's Office of Community Planning and Development has sought to establish partnerships with State and local governments. The focus of our partnership has been to work with communities to ensure that our joint efforts result in housing and community development programs and policies that benefit and serve low and moderate-income persons. These efforts occur within the framework of the statutes we administer and the regulations and emerging policies that are designed to improve program performance.

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 by grant recipients receiving federal assistance through programs covered under these Acts. Additionally, these Acts require that a determination be made by the Secretary 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.

Traditionally these determinations were made through the review of annual reports submitted by grant recipients for each individual program receiving assistance. With the implementation of the Consolidated Planning Regulations of January 5, 1995, the Department will be making a comprehensive performance review of your overall progress at least annually, as required by the statutes and section 91.525 of the regulations. The review consists of analyzing your consolidated planning process; reviewing management of funds; determining the progress made in carrying out your policies and programs; determining the compliance of funded activities with statutory and regulatory requirements; determining the accuracy of required performance reports; as well as evaluating your accomplishments in meeting key Departmental objectives.

This assessment not only meets the mandates of the statutes, but is also provides a basis for working together collaboratively to help you achieve housing and community development goals. One critical outcome of this collaboration should be the development of a more comprehensive, effective, and concise Consolidated Plan and improved performance in achieving specific goals that correspond to the activities outlined in your forthcoming Action Plan.

## Public Access

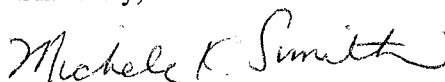
This report must be made readily available to the public within 30 days of receipt of your comments. There are several ways the report can be made available to the public. You can assist us in this regard by sharing HUD's report with the media; with a mailing list of interested persons; with members of your advisory committee; or with those who attended hearings or meetings. HUD will make this information available to the public upon request and may provide copies of future reports to interested citizens and groups.

## Conclusion

As a result of our analysis, we have determined that the City's overall progress is satisfactory and that it has the continuing capacity to implement these programs.

If you have any questions relating to this matter, feel free to contact Ms. Maria Elena Paulson, CPD Representative. She can be reached at (612) 370-3019 extension 2104, or via email at [Maria.Elena.Paulson@hud.gov](mailto:Maria.Elena.Paulson@hud.gov). Our office fax number is (612) 370-3093.

Sincerely,



Michele K. Smith  
Director,  
Community Planning and Development



Mr. Dexter J. Sidney  
Field Office Director

cc: Molly Koivumaki, Housing and Human Services Manager, City of Eden Prairie, Housing and Human Services

Ms. Jeanne Karschnia, City of Eden Prairie