



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Fort Worth Regional Office, Region VI
Office of Community Planning and Development
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102
www.hud.gov

APR 18 2018

Mr. Richard Morton
City Manager
P.O. Box 4398
Odessa, TX 79760-4398

Dear Mr. Morton:

Subject: Annual Community Assessment for the 2016 Program Year

HUD is required to conduct an annual review of performance by grant recipients according to the provisions of the Housing and Community Development Act and the National Affordable Housing Act. We must determine that each recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. This is to report the results of our review of the City of Odessa's performance under the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs.

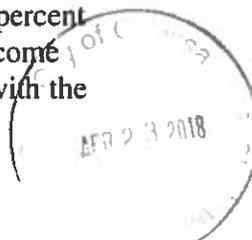
Report

Our review is based on an evaluation of your consolidated planning process and progress in carrying out the programs, the management of funds by the city, information provided in the Consolidated Annual Performance and Evaluation Report (CAPER) and the Integrated Disbursement and Information System (IDIS), and the city's achievement of program objectives.

The city's CAPER was received on December 20, 2017, and our review was completed on January 16, 2018. There are no outstanding issues in this year's CAPER.

Performance and Timely Expenditure of Funds

- Using CDBG funds, the city was able to provide repairs to fifteen low-to-moderate income homeowners, in addition the city was able to demolish and clear fourteen dilapidated structures.
- To promote homeownership, the city HOME funds to rehabilitate and reconstruct 3 homes using HOME funds. The City with the use of CDBG and HOME funds through its homebuyer assistance program was able to assist 2 family with becoming first-time homeowners.
- According to information in the CAPER, the City of Odessa expended 78.94 percent of its CDBG funds on activities that principally benefit low- and moderate-income persons, exceeding the 70 percent minimum. The city is also in compliance with the



CDBG program standards related to public service and planning and administration obligations. During the program year the city obligated 3.6 percent of its CDBG funds for public service activities and 9.30 percent for planning and administration activities, which are within the caps of 15 and 20 percent, respectively.

HOME

The City missed its September 30, 2017 CHDO reservation requirement deadline, due to not having an eligible CHDO to commit funds to. We encourage the city to continue working to improve its utilization of funds under the HOME program. Should the city be interested in technical assistance to increase the productivity of its HOME program it should submit a request through the HUD Exchange at <https://www.hudexchange.info/get-assistance/>.

Conclusion

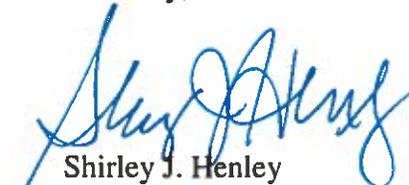
As a result of our evaluation we have determined that the City of Odessa has carried out its program substantially as described in its Consolidated Action Plan; the city has the continuing capacity to carry out its approved program in a timely manner; and the Consolidated Action Plan as implemented complies with the requirements of the Housing and Community Development Act and other applicable laws and regulations.

We are providing the city with thirty days from the date of this letter to comment on this report. Should the city wish to comment or request changes to it we will take them into consideration and provide a written response. If no comments are received within the period allowed, this report will be considered to be in final form. Once it is in final form, it will be made available to the public upon request.

This report is intended to be shared with the public. You may provide copies to interested persons such as the news media, members of local advisory committees, and citizens attending public hearings. We request that you provide a copy of this letter to the Independent Public Accountant who performs the single audit of the city in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, dated February 26, 2015.

If there are any questions or comments about this report, please contact Cece Peppers-Johnson, Senior Community Planning and Development Representative, at 817-978-5946.

Sincerely,



Shirley J. Henley
Director

Cc: Merita Sandoval, Community Development Director