



Community Planning
and Development

U.S. Department of Housing and Urban Development
Milwaukee Field Office
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Milwaukee, WI 53203-2289
<http://www.hud.gov/local/mil/>

September 21, 2022

Kelly Nieforth, Community Development Director
City of Oshkosh Department of
Community Development
215 Church Avenue
Oshkosh, WI 54901

Dear Ms. Nieforth:

SUBJECT: 2021 Annual Community Assessment
City of Oshkosh, Wisconsin

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 reports by grant recipients receiving federal assistance through programs covered under these Acts. Additionally, these Acts require that a determination be made by the Secretary of the U.S. Department of Housing and Urban Development (HUD) 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 regulations at 24 CFR 91.525 require HUD to evaluate and report to the public on a community's overall progress in the management of its program funds, compliance with the Consolidated Plan, the accuracy of performance reports, and the extent to which progress has been achieved toward the statutory goals identified in Section 91.1.

This letter is to report the results of HUD's review of the City of Oshkosh's 2021 program year for the Community Development Block Grant (CDBG) program and CDBG-CARES Act Funding (CV) programs. It also provides HUD's determination of whether City of Oshkosh has satisfactorily reported on its Consolidated Plan activities and accomplishments.

The City of Oshkosh's Consolidated Annual Performance and Evaluation Report (CAPER) was received on July 28, 2022. The report covered the City of Oshkosh's 2021 program year. The City's Integrated Disbursement and Information System (IDIS) reports were also reviewed for the same time.

EXPENDITURE CAPS

CDBG: In 2021, according to the IDIS report PR26 – CDBG Financial Summary Report generated on September 13, 2022, 84.63% of the City of Oshkosh's CDBG expenditures were budgeted for activities that benefited low and moderate-income persons, exceeding the 70 percent minimum program requirement.

Public Service expenditures were at 0.77%, which is less than the statutory maximum of 15 percent for these activities.

The grant-based accounting interim rule implements two distinct compliance tests under §570.200(g) for planning and administration funds: the existing obligation test and a new origin year expenditure test. Grantees must pass both tests to meet compliance for 2015 CDBG origin year and subsequent grants.

- **Program Year Obligation Test:** The amount of CDBG funds obligated during each program year for planning plus administrative costs, as defined in §570.205 and §570.206, respectively, must be limited to an amount no greater than 20% of the sum of the grant made for that program year plus the program income received by the recipient and its subrecipients (if any) during that program year.
 - Per the PR26 – CDBG Financial Summary Report generated on September 6, 2022, the City of Oshkosh obligated 19.01% of its 2021 PY grant for planning and administrative activities, which is below the 20% Cap.
- **Origin Year Grant Expenditure Test:** No more than 20% of any origin year grant shall be expended for planning and administrative costs, as defined by §570.205 and §570.206, respectively. Program income expenditures for planning and administrative costs are excluded from this calculation.

Per the PR26 - Activity Summary by Selected Grant Report generated on September 19, 2022, the City of Oshkosh remains below the 20 percent cap for each year since 2015 that have a remaining balance of grant funds:

Grant Year	Percent expended on planning and administration
2021	6.60 percent
2020	10.52 percent
2019	9.94 percent
2018	8.83 percent
2017	16.45 percent
2016	10.63 percent
2015	18.54 percent

Please note that since this calculation is based on the origin year grant's expenditures, entitlement grantees will need to monitor planning and administrative costs to ensure that the caps are not exceeded until 100% of the origin year grants are expended, as applicable.

CDBG-CV: The City of Oshkosh executed its CDBG-CV grant agreement on June 10, 2021. CDBG-CV grantees must expend 80 percent of the funds within 3 years and 100 percent within 6 years. Per the PR26 Activity Summary generated on September 6, 2022, the City of Oshkosh has an expenditure rate of 82.17 percent.

Planning and Administration expenditures were at 0.00 percent, which is less than the statutory maximum of 20 percent for these activities.

TIMELINESS

HUD evaluates timeliness based on the adjusted ratio of grant fund balances, which include program income (PI) and revolving funds. Per the IDIS PR56 report for CDBG funds generated at its 60-day review, Oshkosh's timeliness ratio was 1.46, which complies with the maximum 1.50 timeliness standard. Please contact your CPD Representative to discuss any concerns you may have regarding your future timeliness test coming up on March 2, 2023.

PERFORMANCE REPORTING AND COMPLIANCE

Based on an analysis of IDIS reports available to HUD's office, City of Oshkosh enters data and reports on accomplishments in this system. The City continues to effectively report data through the Integrated Disbursement and Information System (IDIS) on its CDBG program. This reporting is very important in providing citizens and the Congress with tangible data that supports the effectiveness of this program. Please continue to record project descriptions, matrix codes, expenditures, and proposed and actual accomplishments in IDIS on a timely basis. Complete and accurate information on the results and benefits of the City of Oshkosh's programs is essential in order to measure performance in meeting the needs of low and moderate-income citizens.

The information in the City of Oshkosh's CAPER narrative, charts, and IDIS generally provides the numbers of individuals and households assisted through the City of Oshkosh's federal and state programs. In addition to the CAPER narratives, the City used detailed tables and maps to report on progress and accomplishments. HUD's review of both housing and non-housing projects identified in the report indicates that the highest priority community development needs, identified in the City of Oshkosh's Consolidated Plan, are being addressed.

CITY OF OSHKOSH MONITORING OF SUB-RECIPIENT ACTIVITIES

Based on the information provided in the City of Oshkosh's FY2021 CAPER, it is clear that the City of Oshkosh's program staff continues to monitor and provide technical assistance to housing and non-housing program partners. Although the CAPER does not provide the results of specific monitoring visits, the procedures followed for reviews of the funded projects were adequately described in the narrative section of the report.

HUD PROGRAMMATIC MONITORING

HUD's most recent monitoring occurred in 2019 for its CDBG Program. There are no open findings.

FAIR HOUSING AND EQUAL OPPORTUNITY (FHEO)

A primary goal of the Department is to reduce housing discrimination, affirmatively further fair housing through CPD programs, and promote diverse, inclusive communities. To that end, we encourage your community to take all measures necessary to ensure compliance with the Fair Housing requirements associated with these funds. As a reminder, the city is obligated to affirmatively further fair housing which means that you must conduct an Analysis of Impediments to Fair Housing Choice (AI), take appropriate actions to overcome the effects of any identified impediment, and maintain records reflecting the analysis and actions. The Department encourages communities to use the current AFH Assessment Tool and the data and mapping tool as resources in updating your AI. HUD also encourages communities to collaborate by developing a regional AI, as regional collaborations provide opportunities to combine resources, and address fair housing issues that cross jurisdictional boundaries.

A copy of your CAPER was provided to the Office of Fair Housing and Equal Opportunity (FHEO) for review. FHEO has reviewed and approved the City's 2021 CAPER with the following comments:

The City of Oshkosh has on file an updated Analysis of Impediments (AI) and needs to demonstrate that it is 'affirmatively furthering fair housing.' The needs to be cognizant of the timelines of the awards and release of funds in its housing improvement program; this could a de facto pattern of an impediment to housing (the city of Oshkosh itself recognizes the withdrawals of tentatively approved applicants due to this), The city of Oshkosh needs to clearly define what its 'public service activities' are as well as, its 'non-housing community development'. The city of Oshkosh needs to identify which LMI census areas that addressed in monetary expenditures.

CONCLUSION

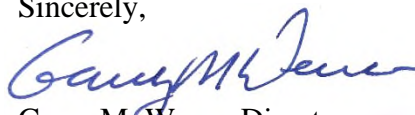
HUD's assessment has included reviews of the City's consolidated planning process, management of grant funds, progress in carrying out local policies and program activities, compliance with program requirements, the accuracy of performance reports, and accomplishments in meeting Departmental objectives. Based on the information currently available to this office, we have determined that the City's overall progress is satisfactory and that the City of Oshkosh has the capacity to continue implementing and administering the City's Consolidated Plan program activities in accordance with the applicable statutory requirements. HUD congratulates the City on its many accomplishments during the program year.

Additionally, you are reminded of the City of Oshkosh's responsibilities to comply with all applicable cross-cutting laws and related program requirements for the City's CDBG Program. Cross-cutting requirements include (but are not limited to) Financial Management and Procurement, Environmental Review, Federal Labor Standards, Acquisition and Relocation, Fair Housing and Non-Discrimination, and Lead-Based Paint. Failure to comply with these requirements may cause costs to be determined to be ineligible and require the City to reimburse its CDBG line of credit with non-Federal funds.

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

We look forward to continuing our work with you and members of your staff to accomplish our mutual objectives for viable urban communities. If you or members of your staff have any questions about this letter, please do not hesitate to contact Senior CPD Representative Maryvel Turman at (414) 935-6643 or maryvel.turman@hud.gov.

Sincerely,



Garry M. Werra, Director
Office of Community Planning
and Development, 5ID

cc: Mark Rohloff, City Manager
Emily Tardiff, Grants Coordinator