

ANNUAL COMMUNITY ASSESSMENT REPORT

Guam

Program Year: October 1, 2005 to September 30, 2006

HUD Point of Contact:

Mr. Richard L. Knight
CPD Representative
Office of Community Planning
and Development
HUD Honolulu Field Office
500 Ala Moana Boulevard, Suite 3A
Honolulu, HI 96813
808-522-8180 ext 263

Guam Point of Contact:

Mr. Ronald De Guzman
Executive Director
Guam Housing and Urban
Renewal Authority
117 Bien Venida Ave.
Sinajana, GU 96926
671-472-1442

Introduction

The regulations implementing the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require federal grant recipients receiving federal assistance to submit an annual performance report disclosing the status of grant activities. The Department of Housing and Urban Development (HUD) is required by 24 CFR 91.525 to determine whether 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. In accordance with 24 CFR 91.525, the comments below incorporate HUD's assessment of Guam's Program Year 2005 performance.

Significant Performance Conclusions

Overall, HUD is satisfied with Guam's implementation of its CDBG, HOME, ESG and Continuum of Care projects and notes that Guam is proceeding with the implementation of financial management changes for the CPD programs. However, the implementation of these changes is behind schedule and HUD reminds Guam that these changes must be fully implemented to comply with HUD's financial management requirements for the CPD programs. Guam has met the CDBG timeliness standard for the fifth consecutive year. Guam used the new Consolidated Plan Management Process (CPMP) Tool as requested, however the narrative sections of the CAPER did not include all of the required information regarding CDBG and HOME programs.

CPD Programs

CDBG

HUD is pleased to note that Guam completed several CDBG activities during Program Year 2005, which included public facilities, public services, and renovation activities. The implementation of its CDBG projects has ensured that low- and moderate-income persons will benefit and receive program assistance in a timely manner.

Guam received \$2,751,267 in CDBG funds and expended \$2,058,640 thus ensuring that Guam continued to meet its CDBG timeliness requirement for the fifth consecutive year. Nevertheless, HUD reminds Guam that maintaining program timeliness is an essential program requirement. HUD and Congress have mandated that grantees meet the timeliness standard and that failure to comply with this standard would result in Guam being placed on a CDBG Timeliness Workout Plan and the potential loss of future funds. Therefore, HUD strongly encourages Guam to continue its timely implementation of the CDBG program. HUD noted that the total CDBG expenditure of \$1,335,984.98 reported on page 13 of the CAPER is inconsistent with the included IDIS PR26 report. HUD reminds Guam that it must review the CAPER thoroughly to ensure that data is consistent and accurate.

HOME

Guam received \$1,302,614 in HOME funds and expended \$1,000,604 during the program year and no program income was reported in IDIS. All funds are required to be committed within 24 months and expended within 60 months of the grant award. Failure to commit and expend funds within the required time period will result in the deobligation of the funds. HUD recognizes that Guam is expending its HOME funds toward projects that will assist low and moderate-income persons. HUD also noted that the total HOME expenditure of \$753,982.11 reported on page 13 of the CAPER is inconsistent with IDIS reports and reminds Guam that it must review the CAPER thoroughly to ensure that data is consistent and accurate.

ESG and Continuum of Care

Guam has implemented its ESG program in a manner that is assisting Guam's homeless population. HUD encourages Guam to continue its successful homeless program. We must point out that a few Guam subgrantees have continued to experience problems in meeting their stated service goals. Please be aware that a subgrantee's failure to meet the anticipated service goals may result in reduced funding at the time of renewal. As the first insular area to be awarded a HUD Supportive Housing Program grant, HUD encourages Guam to pursue the means to further its programs and when possible to share its success with other insular areas.

Community Empowerment

As part of its Consolidated Plan, Guam developed a Citizen Participation Plan. The Plan is intended to generate ways to involve the public in the development of the Consolidated/Action Plan. Opportunities were provided for citizen participation in the development of the Plan and review the performance report through public hearings. HUD encourages Guam to continue to foster public participation, as well as to explore additional opportunities to involve the public in its planning process.

Management of Funds

HUD remains concerned about Guam's overall fiscal controls and its impact on CDBG and HOME program timeliness. Over the past eight years, Guam has taken steps to improve CPD fiscal management and is continuing to implement a CPD financial management component. However, the implementation appears to have fallen substantially behind schedule. HUD reminds Guam that implementation of these component is mandatory for CPD programs and that if Guam is unable to complete the implementation in a timely manner then HUD can not be assured that CPD funds are being properly accounted for and may withhold future funds.

Areas for Improvement and Recommendations

As noted in prior reports, GHURA continues to need to focus on financial management to ensure that progress made during the past few years is maintained and the monitoring and oversight functions continue to develop and mature. Although Guam did provide detailed information on its efforts to meet the Consolidated Plan goals and objectives, it did not provide sufficient information on all outstanding CPD activities and did not provide the additional information required for slow-moving activities. Additional recommendations are noted in the appropriate section and are not repeated here.

CAPER Submission

HUD notes that the CAPER was completed using the CPMP tool. The use of this tool is optional but recommended. HUD notes that Guam did not adequately respond to all of the preformatted CPMP Tool questions and reminds Guam that it needs to review the CAPER thoroughly to insure that the narratives are responsive to the appropriate questions and provide the data and detail required by program regulations. Additional areas for improvement include:

1. The CAPER needs to report for each program area the amount of program income that was anticipated to be received as estimated in the Annual Action Plan (AAP), the amount actually received, and an explanation for the variance. The CAPER must also report on the use of the program income and whether or not that was consistent with the proposed activities in the AAP.

2. The CDBG narrative must include a statement on Guam's compliance with the limitation on public service and administration expenditures. This section should identify the CDBG funded activities undertaken for each area, the actual funds expended, and the percentage of CDBG expenditures for each area.
3. Although Guam provided a short report on its monitoring activities on page 20, it needs to provide substantially more detail including a summary of the results of its monitoring. Additionally, the HOME program requires the results of the rental housing inspections to be summarized in the CAPER.

Overall, Guam's revised report was informative and generally educated the public regarding the status of Guam's CPD projects.

Consolidated Planning

HUD has revised its consolidated plan regulations at 24 CFR 91. The revisions will impact the planning and reporting requirements for future reports. Guam is also reminded that future submissions for both the Annual Action Plan and Consolidated Annual Performance and Evaluation Report will need to be prepared and submitted using the Consolidated Plan Management Process tool available on the HUD website.

Fair Housing & Equal Opportunity

Guam's CAPER summarized its actions to identify and eliminate impediments to fair housing choice was acceptable. The information provided by Guam concerning affirmative marketing actions and outreach to minority-owned and women-owned businesses was adequate. The CAPER was provided to Office of Fair Housing and Equal Opportunity. No comments were received.

Conclusion

Overall, Guam is meeting its community needs by planning and executing its Consolidated Plan. HUD notes that Guam has planned, developed, and implemented several successful CPD program activities. As a result, Guam has assisted the entire community, especially low to moderate-income individuals.