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Honolulu Field Office – Region IX
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RPE

January 9, 2017

The Honorable Edward J.B. Calvo
Governor of Guam
Office of the Governor
P.O. Box 2950
Hagatna, GU 96932



Dear Governor Calvo:

Subject: Annual Community Assessment for Program Year 2015

This letter encloses HUD's assessment of the Government of Guam's (Guam's) performance for its 2015 Community Planning and Development (CPD) Program Year. The report reflects Guam's efforts to ensure compliance with HUD Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Shelter Grant (ESG) programs.

As part of HUD's annual review, the Department wants to take this opportunity to address the CDBG program timeliness requirements, and the importance it plays in ensuring that the intent of the CDBG program is achieved. HUD CDBG regulations require recipients to carry out their CDBG activities in a timely manner thus ensuring low- and moderate-income persons are assisted. The standard requires insular grantees to be at a 2.0 CDBG timeliness ratio 60 days prior to the end of their program year. In other words, Guam's CDBG line of credit cannot exceed its current years grant times two. Guam's program year ends September 30 of each year. About August 2nd of each year, or 60 days prior to the end of Guam's program year, Guam must have a CDBG grant ratio of 2.0 or less. During this period, Guam had a CDBG timeliness ratio of 1.47.

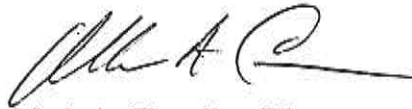
HUD congratulates Guam for taking affirmative steps to meet the HOME Investment Partnerships (HOME) Program commitment and expenditure requirements. HUD encourages Guam to continue to closely monitor its CDBG and HOME projects to ensure the programs' continued success.

HUD would like to recognize that the staff responsible for Guam's CPD programs is highly committed to the programs. Their commitment to the program objectives has resulted in Guam achieving many of the CPD programs' objectives and ensuring that low- and moderate-income persons have an opportunity to succeed. To further this endeavor, HUD has provided opportunities for your staff to receive technical assistance on various topics.

In closing, should Guam wish to comment on the enclosed report, please provide your comments to HUD within 30 days of the date of this letter. Should Guam choose not to comment or fails to comment within the period identified above, the report will be considered final and must be made available to the public. HUD recommends you handle availability of the report the same way you handle your regular program reports by providing a notice in the newspaper, identifying the report contents and where it is available for review.

Again, HUD looks forward to our continued partnership with Guam in serving the needs of its citizens. If you have any questions, please call me at 808-457-4678.

Sincerely,



Mark A. Chandler, Director
Office of Community Planning
and Development

Enclosure

cc:

Mr. Michael Duenas (w/enclosure)
Executive Director
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117 Bien Venida Ave.
Sinajana, GU 96910

ANNUAL COMMUNITY ASSESSMENT REPORT

Guam

Program Year: October 1, 2015 to September 30, 2016

HUD Point of Contact:

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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 2015 performance.

In assessing Guam's performance, HUD relied primarily upon Guam's Program Year 2015 Consolidated Annual Performance and Evaluation Report (CAPER), technical assistance, on-site monitoring, and communications with Guam's federal programs staff. During this period, HUD has determined that Guam generally met the intent of the Community Planning and Development (CPD) programs.

Significant Performance Conclusions

Based on Guam's accomplishments through the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME), the Emergency Solutions Grant (ESG), and Continuum of Care programs, Guam has demonstrated its ability to carry out various housing and community development programs.

Guam satisfactorily administers the CPD grant funds. In accordance with the CDBG regulations, the timeliness ratio benchmark should be 2.00 sixty days prior to the

end of Guam's program year. Guam's CDBG timeliness ratio was 1.47 as of August 2, 2016. HUD congratulates Guam on its accomplishments and encourages Guam to continue seeking ways for timely project implementation.

CPD Programs

CDBG

Guam used CDBG funds to address housing and special needs housing, fair housing, homelessness, and community development needs during program year 2015. Guam's management of its CDBG program has ensured that low- and moderate-income persons will primarily benefit and receive program assistance. During the Program Year, 100 percent of CDBG funds (excluding funds expended for administration and planning) were spent on activities that benefited low and moderate income persons.

HUD noted that Guam has completed the construction of the of the Sinajana Community Recreational Facility, the rehabilitation of the Agafa Gumas Community Recreational Facility, and the rehabilitation of the Astumbo Gardens Recreational Facility.

Ongoing projects include the acquisition/construction of the Central Precinct Command, and the funding the Lighthouse Recovery Center, a 28-bed transitional substance abuse facility that provides evidence-based substance abuse treatment to homeless, low-and moderate-income, and at-risk men seeking recovery services. Also CDBG funds were used to provide services to increase economic and educational opportunities through on-site enrichment activities and curriculum-based programs to enhance work readiness and literacy skills for adults and youth through the Opportunity Initiative which is managed by the Big Brothers Big Sisters of Guam.

Guam's Consolidated Plan describes the following four priority concerns that will be addressed through the CDBG program: homelessness, community development, housing and special needs housing, and fair housing.

During Program Year 2015, Guam met or surpassed the following Consolidated Plan goals for program years 2014-2015:

- Met its goals of Sports and Recreational Facilities by construction of the Sinajana Community Recreational Facility, the rehabilitation of the Agafa Gumas Community Recreational Facility, and the rehabilitation of the Astumbo Gardens Recreational Facility.
- Met its goal of homelessness in meeting the available and accessible of Suitable Living Environment by providing operating costs for the Salvation Army Family Service Center and the Lighthouse Recovery Center.

HUD congratulates Guam on meeting its CDBG timeliness requirement for Program Year 2015. As a reminder, please be informed that maintaining timeliness for the CDBG program 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.

HOME

In Program Year 2015, Guam received \$709,316 in HOME funds and expended \$560,396, of which \$294 was program income. 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.

Guam met or surpassed the following Consolidated Plan goals for program years 2014-2015:

- Increased homeownership opportunities by exceeding its proposed goal for the Acquisition and Rehabilitation Homebuyer Program. Guam proposed in the AAP PY2015 to acquire and rehabilitate four homes. For PY2015, Guam was able to acquire one more home bringing the total count to 12 homes.
- Increased homeownership opportunities by completing 4 newly constructed affordable single family homes under the New Homebuyer Construction Program.

ESG and Continuum of Care

In Program Year 2015, Guam has implemented its ESG and Continuum of Care (CoC) programs in a manner that is assisting Guam's homeless population. HUD encourages Guam to continue its successful homeless programs. During the program year, Guam and its sub-recipients have utilized its homeless funds to operate a transitional housing facility providing shelter and supportive services to homeless men recovering from chronic substance abuse, provide tenant-based rental assistance to homeless and disabled individuals, and provide permanent supportive housing to homeless adults with disabilities.

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 planning and the reporting process for the CPD programs. GHURA received no oral and written public comments during the citizen participation period for the 2015 CAPER. 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 has noticed that Guam is continuing to expend funds in a timely manner and is in compliance with the HUD regulations. HUD acknowledges that Guam staff who are responsible for the CPD programs are working diligently to ensure HUD funding is spent in accordance with program requirements.

Areas for Improvement and Recommendations

Guam needs to identify project obstacles and develop plans to address these obstacles in order to strengthen its programs.

CAPER Submission

HUD notes that the CAPER was submitted on time and completed using the report in the Integrated Disbursement and Information System (IDIS). Overall, Guam's report was informative and generally educated the public regarding the status of Guam's CPD projects. HUD commends the GHURA staff for its efforts in improving the CAPER.

Fair Housing & Equal Opportunity

HUD notes that Guam's Analysis of Impediments (AI) was completed in July 2011, and the Comprehensive Housing Study was completed in August 2009 which included the compiling of data relevant to developing the updated AI. HUD encourages Guam to continue its activities that address the impediments identified in the AI document. The CAPER was forwarded to Mr. Jelani Madaraka, Lead Civil Rights Analyst, Honolulu Field Office, to review for compliance with Fair Housing and Equal Opportunity requirements. He will forward any comments or questions he may have under separate cover.

Conclusion

Overall, Guam is meeting its community needs by planning and executing a Consolidated Plan with a vision for the future, and by implementing this Plan through its Annual Action Plan. As a result, Guam has assisted many communities and especially low- to moderate-income persons. HUD encourages Guam to continue its support of various housing and community development programs, and especially wants to

recognize GHURA's staff for their dedication to the CPD programs. Their hard work and efforts are a credit to Guam and its CPD programs.