



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

FEB 03 2019

Mr. Paul Grimes, City Manager  
City of McKinney  
P. O. Box 517  
McKinney, TX 75070

Dear Mr. Grimes:

**Subject:** Annual Community Assessment for the 2018 Program Year  
Community Development Block Grant Program (CDBG)

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 McKinney's performance under the Community Development Block Grant (CDBG) program.

## **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 2018 program year covers October 1, 2018 through September 30, 2019. Based on the information contained in the CAPER, the city continues to make progress in meeting the statutory goals of the Consolidated Plan programs. There are no outstanding issues to this year's report.

### **CDBG Program**

***Affordable Housing Needs:*** According to information in the CAPER, the City of McKinney provided housing rehabilitation and shelter for the homeless residents. During the reporting period, the city completed a total of 8 home repairs, including two reconstruction repairs for two elderly homeowners.

***Public Services:*** According to information in the CAPER, the City of McKinney provided nutritious meals for 329 McKinney senior citizens through Meals on Wheels of Collin County. The city provided 201 abused or neglected children court-required advocate support through CASA of Collin County.

**Primary Objective:** According to information in the CAPER, the City of McKinney expended 100 percent of its CDBG funds on activities that principally benefit low- and moderate-income persons, exceeding the 70 percent minimum. The primary use of CDBG funds under the 2018-2019 program year were in the areas of housing rehabilitation, public services, community economic development, and grant administration.

**Timeliness:** We remind the city of the IDIS timeliness report is a helpful tool for keeping track of drawdown progress. IDIS will calculate a current drawdown ratio and the exact dollar amount you will need to draw down to reach the 1.5 standard. As of August 2, 2019, the City's unadjusted and adjusted for program income line of credit balances were both 1.01 grant years. This rate of progress assures that the benefits of the program are reaching the intended beneficiaries within a reasonable period of time after grant approval.

**CDBG Planning and Administration and Public Service Caps:** The city is in compliance with the CDBG program standards related to public service and planning and administration obligations. During the program year the city obligated 14.85 percent of its CDBG funds for public service activities and 17.07 percent were expended for planning and administration activities, which are within the caps of 15 and 20 percent, respectively.

## **Conclusion**

As a result of our evaluation we have determined that the City of McKinney 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.

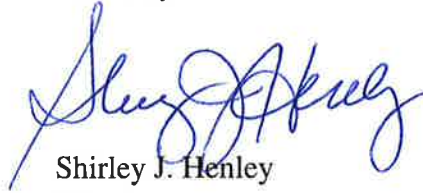
We are providing the city with thirty days from the date of this letter to comment on this report. Should the city wish to comment or request changes to it we will take them into consideration and provide a written response. If no comments are received within the period allowed, this report will be considered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

## **Public Access**

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*.

If there are any questions or comments about this report, please contact Robert Williams, Community Planning and Development Representative, at 817-978-5943.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shirley J. Henley". The signature is fluid and cursive, with the first name being the most prominent.

Shirley J. Henley  
Director