



U.S. Department of Housing and Urban Development
Anchorage Field Office
Community Planning & Development
3000 C Street, Suite 401
Anchorage, AK 99503
www.hud.gov/alaska.html

June 12, 2009

The Honorable Terry M. Strle, Mayor
City of Fairbanks
800 Cushman Street
Fairbanks, AK 99707

Dear Mayor Strle:

Subject: 2008 Program Year Review Letter

Over the last five years, HUD and the City of Fairbanks (City) have worked in partnership to meet the housing and community development needs of the residents of Fairbanks. As part of that process, the City annually prepares and submits a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD, in accordance with HUD's consolidated plan regulations found at 24 CFR 91.520. The annual report provides details of activities undertaken during the year with funds provided by HUD's Community Development Block Grant (CDBG) program. A major responsibility of HUD in this partnership has been to ensure that the City carried out its programmatic responsibilities in conformance with contractual agreements and its consolidated plan submission, and remained in compliance with applicable statutes. HUD has also been obligated to ensure that the City continued to have the capacity to implement and operate the program.

The Program Year Review Letter serves as the mechanism for HUD to communicate to the City and its citizens the results of HUD's determinations regarding the City's performance during the program year. The following is HUD's analysis for the City's Program Year 2008 (PY08), covering the period of January 1, 2008 to December 31, 2008. This represents the fifth and last program year of the City's 2004-2008 Housing and Community Development Consolidated Plan. Effective in PY09, the City has determined to discontinue its participation in the CDBG program. Consequently, this letter will be the last review by HUD of the City's performance in its use of CDBG formula funds.

As in the past, in PY08 the CDBG program was administered by the City's Finance Department. The City was awarded \$248,288 in CDBG funds during the year. No program income was reported during the year. Including funds carried over from the prior year, a total of \$521,393.43 in CDBG funds was available during the year for project costs and a total of \$78,116.63 was available for administration costs.

During PY08, project activities consisted solely of a sidewalks reconstruction infrastructure project. Administration costs consisted of expenses for grant administration, training, and efforts made to further fair housing. The City expended all of the available \$521,393.43 in project funds on the sidewalks activity and expended \$19,739.54 on administration costs for the year.

Over the course of the five year Consolidated Plan, the City made progress towards its stated goal of providing a suitable living environment for low- and moderate-income persons. HUD's review of the City's management of funds, program administration, and performance report submittals indicate that the City implemented and administered the CDBG program in accordance with the strategies in its Consolidated Plan, and in accordance with the requirements of the *Housing and Community Development Act of 1974*.

In summary, HUD has appreciated and valued its partnership with the City during the course of this five year plan, working together in an effort to better the lives of the low income persons of Fairbanks.

If you have any questions, please contact Barry Bruninga, CPD Representative of my staff at (907) 677-9892, or e-mail barry_bruninga@hud.gov.

Sincerely,

/s/

Colleen Bickford,
Field Office Director

cc:

Jim Soileau, CFO
City of Fairbanks

Carmen Randle, Controller
City of Fairbanks