



**U.S. Department of Housing and Urban Development
Office of Community Planning and Development**

Los Angeles Field Office, Region IX
300 N. Los Angeles Street, Suite 4054
Los Angeles, CA 90012

September 13, 2023

Sevet Johnson, County Executive Officer
County of Ventura
800 S. Victoria Avenue, County Executive Office L1940
Ventura, CA 93009

Dear Dr. Johnson:

SUBJECT: Second Year Noncompliance with Timely Expenditure Requirement;
Community Development Block Grant (CDBG) Program

The purpose of this letter is to advise you that County of Ventura is not carrying out its Community Development Block Grant (CDBG) program in a timely manner and is non-compliant, for the second consecutive year, with the CDBG timely expenditure requirements. Continued noncompliance may result in sanctions, including the loss of funds and other corrective actions. As required by 24 CFR 570.902 of the CDBG regulations, this office reviewed the County for compliance with requirements for carrying out a CDBG Program in a timely manner. A grantee is considered in compliance if, 60 days prior to the end of its program year, the balance in the grantee's line of credit, plus the balance of program income on hand, is not more than 1.5 times the most recent entitlement grant. Program income includes funds that a grantee may have in one or more revolving loan funds (RLF), referenced as "RL" funds in the Integrated Disbursement and Information System (IDIS). Collectively, these fund balances are referred to as the adjusted line of credit balance.

The County has a July 1st Program Year Start Date. When the 60-day test was conducted on May 2, 2022, it was calculated that your community had an adjusted line of credit balance of 2.36 times its annual grant. The last 60-day test conducted on May 2, 2023, indicated an adjusted line of credit balance of 1.94 times its annual grant and, therefore the County was again in non-compliance with the 1.5 performance standard. In accordance with the terms of the Department's October 21, 2021, memo, *Restarting the Corrective Actions Process for Untimely Expenditure*, HUD is treating this non-compliance as a failure to meet the 1.5 standard for a second consecutive year. Therefore, HUD requires the County to take the following action to ensure that it will meet the next timeliness test:

- Develop and submit to the Los Angeles Field Office a workout plan describing what steps you will take to ensure that the line of credit balance, including any program income, will be no greater than 1.5 on May 2, 2024.

The following four resources, a technical assistance video along with three brochures located on the HUD Exchange website, are available to assist you in your efforts to comply with HUD's timeliness standards:

- ***"CDBG Timeliness and Best Practices to Achieve Timely Performance,"***

<https://www.youtube.com/watch?v=6z4wdiKJPG8&feature=youtu.be>

- ***“Developing and Implementing a CDBG Workout Plan,”***
<https://www.hudexchange.info/resources/documents/developing-and-implementing-a-cdbg-workout-plan.pdf>
- ***“Keeping Your CDBG Funds Moving,”*** and
<https://www.hudexchange.info/resources/documents/Keeping-Your-CDBG-Funds-Moving-Guide.pdf>
- ***“Ensuring CDBG Subrecipient Timeliness.”***
<https://www.hudexchange.info/resources/documents/Ensuring-CDBG-Subrecipient-Timelines.pdf>

These resources provide guidance for keeping your CDBG program timely and will strengthen your community’s program management capacity.

The written workout plan should be submitted to this office within 45 days of the receipt of this letter. Please make sure the plan includes the information requested in “Developing and Implementing a CDBG Workout Plan.” My office will review the workout plan and determine whether it is acceptable.

The IDIS PR56 - CDBG Timeliness Report is a helpful tool for keeping track of your 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.

My staff and I remain available to assist you in any way possible to help you achieve compliance. Should you have any questions pertaining to this matter, please feel free to contact Mary Kate Bevel at marykate.bevel@hud.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rufus Washington', with a long horizontal stroke extending to the right.

Rufus Washington
Director, Community Planning and
Development Division



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Integrated Disbursement and Information System

DATE: 09-06-23
TIME: 14:19
PAGE: 1

Current CDBG Timeliness Report
Grantee : VENTURA COUNTY, CA

PGM YEAR	PGM YEAR START DATE	TIMELINESS TEST DATE	CDBG GRANT AMT	--- LETTER OF CREDIT BALANCE ---		DRAW RATIO		MINIMUM DISBURSEMENT TO MEET TEST	
				UNADJUSTED	ADJUSTED FOR PI	UNADJ	ADJ	UNADJUSTED	ADJUSTED
2022	07-01-22	05-02-23	1,328,136.00	2,577,992.01	2,577,992.01	1.94	1.94		
2023	07-01-23	05-02-24	UNAVAILABLE	2,175,889.81	2,175,889.81	*****	*****	GRANT UNAVAILABLE FOR CALCULATION	

NOTE: If ***** appears in place of ratio, then ratio cannot be calculated because either the grantee's current year grant has not been obligated in LOCCS or the current program year start and end dates have not been entered in IDIS.