



U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1000
Los Angeles, CA 90017

MAY 12 2016

Mr. Steve Mermell, Interim City Manager
City of Pasadena
ATTN: Randy Mabson
100 North Garfield Avenue
Pasadena, CA 91109

Dear Mr. Mermell:

Subject: Community Development Block Grant Program (CDBG)
Timeliness Standard Exceeded

This letter is to advise you that our office recently reviewed Pasadena for compliance with Federal Regulation at 24 CFR 570.902 concerning the timeliness of the City's CDBG program. A grantee is considered to be in compliance if there is no more than 1.5 times the City's annual grant remaining in the Line of Credit Control System (LOCCS) 60 days prior to the end of its program year.

The City of Pasadena did not meet HUD's timeliness standard for Program Year 2015 and is currently in violation of the regulatory requirement. The City is now on a one year probationary period during which it must submit a workout plan and quarterly reports that address the City's CDBG timeliness violation.

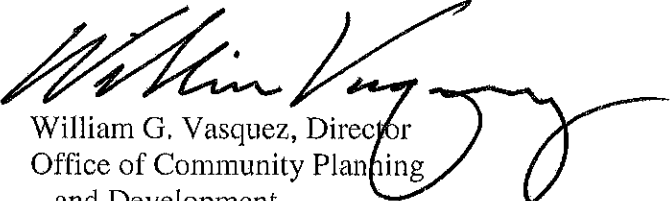
The City's workout plan should at a minimum include: identification of main causes of excess backlog, identification of activities to be modified or terminated, reprogramming available funds, planned actions, long range plans, milestone schedule, drawdown projection, progress reports, and the City's commitment to execute the workout plan. The workout plan should be submitted within thirty days of receipt of this letter. HUD will review the City's workout plan for approval.

These corrective actions are meant to resolve the underlying planning and administrative problems causing the City's timeliness issue. If Pasadena fails to meet the 1.5 standard again in Program Year 2016, HUD would reduce its grant by 100% of the amount in excess of 1.5 times the city's annual grant.

The latest Integrated Disbursement and Information System (IDIS) Timeliness Report indicated that Pasadena has a 1.94 ratio. The city needs to draw down a minimum of \$793,636 in order to address the violation.

HUD staff is available to provide technical assistance to grantees, if needed.
Should you have any further questions, please do not hesitate to call Michael J. Kovalsky,
Community Planning and Development Representative, at (213) 534-2566.

Sincerely,



William G. Vasquez, Director
Office of Community Planning
and Development