

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON 2013-14 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) FOR CDBG PROGRAM

BACKGROUND:

Community Development Block Grant (CDBG) regulations require that, within 90 days of the end of its fiscal year, the City must prepare a Consolidated Annual Performance and Evaluation Report (CAPER). This report must be submitted to the Department of Housing and Urban Development (HUD) by September 29, 2014.

The 2013-14 CAPER reports accomplishments in relation to goals and objectives identified in the City's 2009-2014 Consolidated Plan requirements for the use of Community Development Block Grant (CDBG), and in the Annual Action Plan for fiscal year July 1, 2013 through June 30, 2014. The regulations require that the CAPER be available for a 15-day public review and comment period, which occurred from September 4 through September 18.

Attached for Council review and approval is a copy of the Executive Summary of the 2013-14 CAPER. This summary reports that, of the \$1,185,041 budgeted, \$653,162 was expensed as follows: 16% on housing-related activities, 68% on the neighborhood infrastructure improvements program activity, and the remaining 16% on program administration. Approximately \$101,650 of program income was generated from the sale and repayments of single-family homes sold through the Homebuyer Assistance Program. Overall, 545 low- and moderate-income households were assisted.

A full copy of the CAPER and attachments are available for review on the City's web site at www.cityofames.org/housing.

ALTERNATIVES:

1. The City Council can authorize submittal of the City's 2013-14 Consolidated Annual Performance and Evaluation Report (CAPER).
2. The City Council can withhold authorization to submit the City's 2013-14 Consolidated Annual Performance and Evaluation Report.

MANAGER'S RECOMMENDED ACTION:

The CAPER accurately reports on the City's CDBG expenditures for the periods specified above.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby authorizing submittal of the City's 2013-14 Consolidated Annual Performance and Evaluation Report (CAPER).



**CONSOLIDATED ANNUAL PERFORMANCE AND
EVALUATION REPORTS (CAPER) FOR**

FEDERAL FISCAL YEAR 2013 – 2014

**CITY OF AMES FISCAL YEAR
JULY 1, 2013 THROUGH JUNE 30, 2014**



Public Comment Period:

September 4, 2014 thru September 18, 2014

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Fifth Program Year CAPER

The CPMP Consolidated Annual Performance and Evaluation Report includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

The grantee must submit an updated Financial Summary Report (PR26).

GENERAL

Executive Summary

This module is optional but encouraged. If you choose to complete it, provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout the first year.

Program Year 4 CAPER Executive Summary response:

The City of Ames Planning & Housing Department has prepared a Consolidated Housing and Community Development Plan for the five-year plan period of 2009-14 that provides a continued strategic vision for the community. The Plan has been approved by the Department of Housing and Urban Development (HUD). Information regarding program rules, regulations, and other related information can be found on the HUD web site at www.hud.gov/offices/cpd/index.cfm. The Executive Summary and other materials regarding the program in the City of Ames can be found on the City of Ames web site at www.cityofames.org/housing. Please contact the City of Ames Planning & Housing Department at (515) 239-5400 for additional information.

As part of this Consolidated Plan and Annual Action Plan period, the City of Ames's strategies toward serving the needs of extremely low-income, low-income, and moderate-income families are to continue to seek public input, to continue to invest resources both physical and financial, and to continue to implement programs that will address the community's priority needs. The main areas of focus to be carried out over the five (5) years will be **to continue** to utilize CDBG and other local and/or state funds to address the following priority need categories listed below:

1. CDBG funds should be used to strengthen neighborhoods by implementing affordable housing programs and services through acquiring, demolishing, and rehabilitating housing units that support homeowners, homebuyers, and renters to obtain and remain in affordable housing;
2. CDBG funds should be used to promote one community by implementing programs that support a continuum of new or expanded housing and services targeted for the homeless, transitional housing clients, and persons with special needs; and
3. CDBG funds should be used to strengthen neighborhoods by implementing programs that will increase or improve public facilities, infrastructure, and services.

Based on community input, and after examining the five priority needs that were created in the 2004-2009 strategic planning period, it was clear that the above priority needs provided the most positive impacts on addressing the needs of very low-, low- and moderate-income households in the community. The City, during its first five years and now starting its fifth year

of its second five-year plan, has been very successful in implementing the program activities that led to having exceeded the 70% low- and moderate-income benefit expenditure requirement by approximately 25%. To continue this success rate, the City, during this last year of the second five-year period, will continue to administer and focus its programming in the above three priority need areas.

One of the City Council's goals that drives the three priority needs is to **continue** to address the need to Strengthen Neighborhoods. Therefore, in 2013-14 the Annual Action Plan projects set out to focus on various activities that would continue to strengthen **neighborhoods** by implementing housing-related activities (e.g., homeownership assistance, rehabilitation, deposit and/or first month's rent assistance, etc.) and by implementing public infrastructure activities (e.g., sidewalks, street and curb repair, water, sewer improvements, etc.). Additionally, the City Council's priority is to continue to participate in and fund the ASSET (The Assault Care Center Extending Shelter and Support) process. The ASSET process is a successful vehicle for providing financial assistance for the needs of and service delivery to persons with incomes at 50% or less of the Story County median income limit, and to the homeless.

The City of Ames's Consolidated Annual Performance and Evaluation Report (CAPER) will cover the progress in carrying out the City's Consolidated Plan, the three priority goals, and the Annual Action Plan project goals for the fiscal year 2013-14. The Annual Action Plan was the fourth plan based on the five-year Consolidated Plan for the fiscal years 2009-2014.

The following is a summary of the Annual Action Plan projects and expenditures that **were accomplished** in conjunction with the priority goals for the July 1, 2013, to June 30, 2014, program year.

1. HOUSING ACTIVITIES OBJECTIVES: CDBG funds should be used to strengthen neighborhoods by implementing affordable housing programs and services through acquiring, demolishing, and rehabilitating housing units that support homeowners, homebuyers, and renters to obtain and remain in affordable housing.

The Neighborhood Sustainability Program is the umbrella program that contains the following core program components: Homebuyer Assistance, Operation/Repair of Foreclosure Properties (Acquisition/Reuse), Dangerous Building Program (Slum and Blight program), Renter Affordability Program (Public Service), and the Neighborhood Housing Improvement Program (Housing). For the 2013-14 program year \$611,033 (not including administration) was allocated to cover the implementation of **all or some** of the above five project activities.

- a) The Homebuyer Assistance Program was designed to assist low- and moderate-income first-time homebuyers (80% or less of AMI) with the purchase of a single-family home. The overall goal of the Homebuyer Assistance Program is to allow low- and moderate-income households to gain access to housing and/or improve their housing status. For the 2013-14 program year \$105,000 was allocated for this activity. Applications for the program were solicited during the year. Seven (7) applicants applied for the program and six (6) applicants participated and completed the Homebuyer Educational Seminar. Of the six, three (3) applicants were determined eligible to receive assistance to purchase a home; however, the closing will likely occur in the 2014-15 program year. For 2013-14, \$10,000 was expensed assisting one household (who applied in the 2012-13 program year), in purchasing a City-owned property.

- b) The Operation/Repair of Foreclosure Properties was designed to improve foreclosed properties needing repair to make them available to low- and moderate-income, first time homebuyers through the Homebuyer Assistance Program. The overall goal of the program was to increase the availability of affordable housing to low-income families and to maintain decent, safe, and sanitary housing stock in existing neighborhoods. For the 2013-14 program year \$103,000 was allocated for this activity. There are five (5) properties that were purchased under the Acquisition/Reuse Program over the last six years that fall under the Operation/Repair of Foreclosure Program, to be rehabilitated and sold to first-time homebuyers.

To date, the rehabilitation of one of the five was completed in the 2012-13 program year and was sold to a qualified first-time homebuyer in 2013-14. In 2013-14, the rehabilitation of three of the remaining four began and it is anticipated that two of three will be sold in the beginning of the 2014-15 program year. Of the remaining two, one will be complete by late fall and the second one by early spring 2015. For the 2013-14-program year, approximately \$63,122 was spent on property maintenance and rehabilitation of these four properties.

- c) The Neighborhood Home Improvement Program was designed to provide financial assistance to qualified low- and moderate-income single-family homeowners at or below 80% of the area median income limits to improve the physical condition of their single-family homes in residentially-zoned areas. The overall goal of the Neighborhood Housing Improvement Program is to allow single-family homeowners to reside in decent, safe, and sanitary housing that will enhance neighborhood sustainability. For 2013-14, the initial budget was \$278,012. However, the program continued to be delayed from being implemented due to the City not being able to complete a Programmatic Agreement with the State Historic Preservation Office (SHPO) in order to streamline and expedite requirements when processing program applicants and that is also a HUD requirement. The City will continue to work with SHPO to complete an agreement.
- d) The Dangerous Buildings (Slum and Blight Program) was designed to demolish deteriorated properties that have been identified by City code regulations as being unsafe and in need of immediate repair or need to be demolished. The program budget for 2013-14 is approximately \$48,021 (including administrative cost). The objectives are to protect and maintain safe neighborhoods and floodplains by the removal of blighted or other environmentally unsafe areas throughout the City. Due to increased efforts to work with property owners to maintain their units or have them removed, there were no properties that were identified for this activity. Therefore program funding for the program was moved to the Operation/Repair of Foreclosed Properties that were owned by the City of Ames.

2. PUBLIC SERVICES OBJECTIVE: CDBG funds should be used to promote "one community" by implementing programs that support a continuum of new or expanded housing and services targeted for the homeless, transitional housing clients, and persons with special needs.

- a) Under the Renter Affordability Program, a Deposit and/or First Month's Rent activity was implemented. The Deposit and/or First Month's Rent activity is designed to assist households with incomes at 50% or less of the area median income with funding to rent decent, safe, affordable rental units. The program budget allocated for 2013-14 was \$77,000 (based on the 15% program cap set by HUD). Under this activity, approximately \$21,780 was spent and thirty-five (35) households were assisted during this program year.

3. PUBLIC FACILITIES OBJECTIVE: CDBG funds should be used to strengthen neighborhoods by implementing programs that will increase or improve public facilities, infrastructure, and services.

The Public Facilities Program is the umbrella program that contains the following core program activities: the Public Facilities Improvement Program and the Neighborhood Public Infrastructure Program.

- a) The Facilities Improvement activity was designed to assist non-profit organizations with financial assistance to make repair to their facilities that house and/or provide services to homeless, very-low, and low-income residents. For the 2012-13 program year no funds were allocated for the Public Facilities Program.
- b). The Neighborhood Infrastructure Improvement Program was designed to improve and enhance the viability and aesthetics of our core existing neighborhoods by replacing the deteriorated infrastructure such as streets, curbs and gutters, driveway approaches, sanitary sewer, water mains upgrades, and installing handicapped accessible sidewalks and dome pads. For the 2012-13-program year, in census tract 10 \$450,000 was initially allocated. Under this activity for 2013-14, approximately \$442,125 was spent on infrastructure improvements completed in Census Tract 10 (which is a HUD designated low- and moderate-income area) that included South Maple Avenue between Lincoln Way and South Fourth Street. The activity included the installation of 3,394 square yards of new full depth pavement (street, sidewalks, curb and gutter, and driveway approaches, where needed); the installation of 72 square feet of pedestrian ramp upgrades (truncated dome pads); 148.5 linear feet of water main; and 2,222 linear feet of storm sewer. The population of LMI households that were benefitted in this census tract is 509 or 59%.

Amended 2013-14 Action Plan Expenditure Budget:

<u>Programs</u>	<u>Budget</u>
Dangerous Building Program (Slum & Blight)	48,021
Renter Affordability Program (Deposit & Rent)	77,000
Neighborhood Housing Improvement Program	278,012
Operation and Repair of Foreclosure Property	103,000
Homebuyer Assistance Program	105,000
Neighborhood Infrastructure Improvements Program	450,000
2013-14 Program Administration	<u>124,008</u>
Total	\$1,185,041

The 2013-14 Activity Expenditures were as follows:

<u>Programs</u>	<u>Budget</u>
Homebuyer Assistance Program	10,000
Operation and Repair of Foreclosure Property	69,922
Renter Affordability Program	21,780
Neighborhood Infrastructure Improvements Program	442,124
2013-14 Program Administration	<u>109,336</u>
Total	\$653,162

Approximately \$101,650 of program income was generated in 2013-14, which reduced the overall expenditure outcome as follows: \$15,028 towards the cost the program administration and \$86,622 towards the cost of the Neighborhood Infrastructure Improvements Program.

Of the \$543,826 (including program income, but not including administration costs) that was spent on the above programs during the program year, \$101,702 was spent on housing-related activities and \$442,124 was spent on Neighborhood Sustainability Infrastructure-related activities.

In addition to the above programs, in 2013-14 the City budgeted approximately \$1,184,786 to the ASSET Program to support the local Human Service Agencies shelter and preventive needs of homeless and low-income families in the community and spent approximately \$1,041,277.

(See Appendix III).

AMI=Area Median Income; LMI=Low and Moderate-Income