

ITEM #: 31
DATE: 10-24-23
DEPT: P&H

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON ACCEPTANCE & SUBMITTAL OF THE CITY'S 2022-23 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) IN CONNECTION WITH THE CITY'S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

BACKGROUND:

The Community Development Block Grant (CDBG) regulations require that, within 90 days from the end of its fiscal year, the City must prepare a Consolidated Annual Performance and Evaluation Report (CAPER), which is required to be submitted to the Department of Housing and Urban Development (HUD) on or before September 29 each year. However, staff requested and received an extension to submit the report on or by October 31, 2023.

The 2022-23 CAPER describes accomplishments in relation to goals and objectives identified in the City's 2019-2023 Consolidated Plan requirements for the use of Community Development Block Grant (CDBG) and HOME Program in the Annual Action Plan for fiscal year July 1, 2022, through June 30, 2023. The regulations require that the CAPER be available for a 15-day public review and comment period, which occurred October 5, 2023, through October 19, 2023.

Attached for Council review and approval is a copy of the summary (Goals and Outcomes) of the 2022-23 CAPER report. For the 2022-23 program year, approximately \$248,941.67 (including administration and program income) of CDBG funds was expensed. Of the \$248,941.67, \$51,001.04 was generated program income. Approximately \$117,166.80 was administrative expenses and \$131,774.87 (including program income) was expensed on the 2022-23 program activities, of which \$128,547.65 was acquisition/demolition of slum and blighted properties and \$3,227.22 was expensed on Rehabilitation/Disposition for ReUse and disposition of lots in the Baker Subdivision.

Under the HOME Program, approximately \$22,360.02 was spent only on program administration. For the CDBG CARES (COVID-19) funds, approximately \$9,622.09 was expensed for program administration, and no funds were expensed on programming.

In addition to the CDBG, HOME, and CARES expenditures, the City of Ames's share expensed through the ASSET collaboration was approximately \$1,717,528. Of the \$1,717,528, approximately \$358,846 was expended specifically to support local human

services agencies in providing basic needs and preventive services (food, counseling, shelter, childcare, meals, etc.) to homeless and low-income households in the community.

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

ALTERNATIVES:

1. The City Council can adopt a resolution approving the submittal of the City's 2022-23 Consolidated Annual Performance and Evaluation Report (CAPER). This action will adopt a resolution approving the submittal of the City's 2022-23 Consolidated Annual Performance and Evaluation Report (CAPER), which is to be submitted to HUD on or by October 31, 2023.
2. The City Council can direct staff to modify the report prior to adoption of a resolution approving the submittal of the City's 2022-23 Consolidated Annual Performance and Evaluation Report (CAPER).

CITY MANAGER'S RECOMMENDED ACTION:

The 2022-23 CAPER describes accomplishments in relation to goals and objectives identified in the City's 2019-2023 Consolidated Plan requirements for the use of Community Development Block Grant (CDBG) and HOME Program in the Annual Action Plan for fiscal year July 1, 2022, through June 30, 2023. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 thereby approving the submittal of the City's 2022-23 Consolidated Annual Performance and Evaluation Report (CAPER) which is required to be submitted to HUD on or by October 31, 2023.



PROPOSED DRAFT

CITY OF AMES

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

**CITY OF AMES FISCAL YEAR
JULY 1, 2022 THROUGH JUNE 30, 2023**



**Public Comment Period:
October 5, 2023 thru October 19, 2023**



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CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

See attached CAPER for the remainder of the narrative!

With community input, the overall goals and outcomes of the City's 2019-23 Strategic Plan continue to be to increase the supply of affordable housing for low- and moderate-income persons and to continue to support and maintain the public service needs for special populations, homeless, and low-income households. The major progress that the City made in carrying out these two overall strategies was through the 2022-23 implementation of the following CDBG project activities for 2022-23: a) Acquisition/Reuse for Affordable Housing, b) Disposition of Properties Program, c) Acquisition/ReUse of Slum and Blighted Properties, d) continuation of the Installation of Public Infrastructure Improvements Program for Baker Subdivision (321 State Avenue), including the installation of a Pocket Park in the Baker Subdivision, e) the implementation of the CDBG-CARES funding to implement the following three programs due a worldwide Coronavirus Pandemic: 1) Rent Relief Assistance; 2) Mortgage Relief and 3) Utility Relief Assistance for both Renters and Homeowners. Lastly, f) Single-Family Housing Rehabilitation Program, to provide home repair assistance to low-income existing homeowners throughout the City limits of Ames. **For the HOME Programs:** a) Homeownership Construction Program, b) Homebuyer Assistance Program, and c) future funding for Low-Income Housing Tax Credits (LIHTC) units in the Baker Subdivision.

2022-23 CDBG Program Activities:

a) The Acquisition/Reuse Program. This activity was designed to create, expand, and maintain affordable housing for homeless and low-income persons (80% or less of AMI) by a. increasing the supply of affordable rental housing for low-income families, b. increasing the availability of affordable owner-occupied housing and, c. maintaining the supply of affordable owner-occupied housing. For the 2022-23 program year, the City **did not** acquire any properties under the 2022-23 program year. **However, one property** at 241 Village Drive acquired under this program was sold to Habitat for Humanity of Central Iowa for rehabilitation. During this program year, Habitat sold the property to a low-income first-time homebuyer household.

b) The Disposition of Properties. This activity was designed to provide maintenance and costs for properties purchased in previous program years. For the 2022-23 program year, the activity included the ongoing maintenance of one vacant parcel at 1107 Grand Avenue purchased in 2021-2022. The final disposition of this parcel will be determined in program year 2023-24. Additionally, funds were spent to maintain the single-family and multi-family lots created in the subdivision.

c) The Acquisition/Reuse for Slum and Blighted Properties. Under this activity, the following activities may occur: acquisition of slum and blighted properties; acquisition of properties for public facilities use (shelters, recreational use, etc., or infrastructure improvements such as sidewalks, street improvements, shared use bike paths, etc.) Also, funds may be used to: purchase vacant in-fill lots for redevelopment into non-affordable housing, for public facilities use, or public infrastructure. This activity may include demolition and clearance. The goal is to address the needs of non-LMI populations or other community needs, which may include addressing the needs of LMI Persons. For the 2022-23 Program year, the property purchased in 2021-22 at 1107 Grand Avenue **was demolished**, and **one (1) property** at 621 Grand Avenue was purchased that had

been tagged as a dangerous, abandoned, and unsafe property. The property is anticipated to be demolished in the program year 2023-24.

d) The continuation of the Installation of Public Infrastructure Improvements Program for Baker Subdivision (321 State Avenue). This activity was designed to cover the cost of infrastructure improvements, such as streets, water, sewer, electrical, sanitary, sidewalks, etc., in order to create a mixed-income affordable housing subdivision for the construction of 26 single-family housing lots and one multi-family housing lot in the City's Neighborhood Revitalization Strategy Area (NRSA). This activity will also include the installation of a pocket park for the subdivision. For the 2022-23 program year, seven (7) lots located along the south end of South Wilmoth were sold to Habitat for Humanity of Central Iowa to construct single-family homes to sell to low-income first-time homebuyers. However, the Installation of the Pocket Park in the Baker Subdivision was delayed due to other Pandemic Grant Programming (HOME-ARP) deadlines and priorities.

In the program year 2022-23, the City of Ames was preparing to submit a Substantial Amendment to its 2022-23 Annual Action Plan to add a Neighborhood Public Infrastructure Improvements Project to upgrade lead water mains in HUD designation Low-Income Census Tract 10 along N Russell Avenue. The amendment is anticipated to be approved starting for program year 2023-24.

e) The implementation of the CDBG-CV-CARES funding to implement the following three programs due to a worldwide Coronavirus Pandemic. Under this activity, three COVID-19 relief programs, 1) Rent Relief Assistance, 2) Mortgage Relief, and 3) Utility Relief Assistance for both Renters and Homeowners, were implemented to provide assistance to households affected by the pandemic who were at risk of losing their housing and subject to utility disconnections due to the shutdown of the economy and/or who were physically affected by the virus. For the 2022-23 program year, **none of the above-named** assistance was provided to households due to the reopening of the economy, the vaccine, and other measures that flatten the spread of the virus. Over the three-year period, approximately 164 persons were assisted, 156 for Rent and Utilities and 8 for Mortgage and Utilities. Only program administration expenses were incurred during the period.

f) The implementation of the Single-family Housing Rehabilitation Program. The implementation of this program was delayed due to other Pandemic Grant Programming (HOME-ARP) deadlines and priorities.

2022-23 HOME Program Activities:

- a) **Homeownership Construction Program.** Under this activity, funds have been set aside to construct one single-family home on a lot in the Baker Subdivision. The home, after construction, would be sold to an eligible household with an income at 80% or less of the Ames Median Income Limit. For the 2022-23 program year, no was constructed. A home is anticipated to be constructed in the 2023-24 program year.
- b) **Homebuyer Assistance Program.** Under this activity, funds have been set aside to provide downpayment and closing cost assistance to eligible first-time homebuyers with incomes at 80% or less of the Ames Median Income Limits for single-family homes constructed in the Baker Subdivision. Currently, three (3) homes are under construction, and it is anticipated that homes will be completed and sold late in the 2023-2024 program year.
- c) **Future funding for Low-Income Housing Tax Credits (LIHTC) units in the Baker Subdivision.** Under this activity, funds were set aside to seek a partnership Developer to apply for LIHTC to the Iowa Finance Authority (IFA) to pursue low-income family rental housing units. In 2022-23, the City partnered with HATCH Development and submitted an application to IFA for LIHTC funding to construct 38 multi-family,

2, 3, and 4-bedroom units in the Baker Subdivision. It is anticipated that awards will be announced in the program year beginning 2023-24.

2022-23 HOME-ARP Program: In fiscal year 2021-22, the City of Ames was notified that it would receive a one-time special allocation of \$1,269,248 of HOME-ARP funding. HOME-ARP funding gives jurisdictions significant new resources to address their homeless assistance needs by creating affordable housing or non-congregate shelter units and providing tenant-based rental assistance or supportive services. HOME-ARP funds must be used for individuals or families from the following qualifying populations: homeless; at-risk of homelessness; fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; other populations where providing assistance would prevent the family's homelessness or would serve those with the greatest risk of housing instability; and veterans and families that include veteran family members that meet one of the preceding criteria.

HOME-ARP funds can be used for four eligible activities: the production or preservation of affordable housing; tenant-based rental assistance; supportive services, including homeless prevention services and housing counseling services; and the purchase or development of non-congregate shelters for individuals and families experiencing homelessness. Additionally, HOME-ARP provides up to 15 percent of the allocation for administrative and planning costs of the participating jurisdiction (PJ) and for subrecipients administering all or a portion of the grant. ARP can provide up to 5 percent of the grant for operating costs of Community Housing Development Organizations (CHDOs) and other non-profit organizations, including homeless providers. Funds are also available to these organizations for capacity building.

In order to receive these funds, the City would need to prepare and submit an Allocation Plan that would describe how the funds would be utilized in the City based on the above criteria. In program year 2022- 23, the City prepared and submitted its Allocation Plan to implement a program to acquire, construct, and/or rehabilitate Non-Congregate Shelters for the following Qualifying Populations: 1) Homeless individuals and families and individuals; 2) individuals and families at risk of homelessness, and 3) individuals and Persons fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking, as defined by HUD, has the preference. In June 2023, the City was notified that its Allocation Plan was approved. This program is anticipated to begin in program year 2023-24.

In addition to the outcomes listed below, a summary of accomplishments in attaining the goals and objectives for the reporting period can be found in Appendix I, along with a project map and budget in Appendix II.