

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON SUBMITTAL OF THE CITY'S 2007-08 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 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 to be submitted to HUD on or before September 26, 2008. The CAPER is part of the City's 2004-2009 Consolidated Plan requirements for the use of Community Development Block Grant (CDBG) funds for fiscal year July 1, 2007 through June 30, 2008.

The 2007-08 CAPER outlines the progress made in implementing the City's 2004-09 Consolidated Plan through the proposed actions identified in the 2007-08 Annual Action Plan. The CAPER discusses accomplishments in relation to goals and objectives identified in the One-year Action Plan and Multi-year Strategic Plan. The CAPER provides statistical information not captured by HUD's Intergrated Disbursement and Information System (IDIS). The regulations require that the CAPER be available for a 15-day public review and comment period, which occurred September 5, 2008 through September 22, 2008. Attached for Council review and approval is a copy of the Executive Summary of the 2007-08 CAPER. A full copy of the CAPER and attachments are available for review on the City's web site at: www.cityofames.org/housingweb/Default.htm.

ALTERNATIVES:

1. The City Council can approve a resolution approving the submittal of the City's 2007-08 Consolidated Annual Performance and Evaluation Report (CAPER).
2. The City Council can deny adoption of a resolution approving the submittal of the City's 2007-08 Consolidated Annual Performance and Evaluation Report (CAPER).

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council adopt Alternative #1. This action will adopt a resolution approving the submittal of the City's 2007-08 Consolidated Annual Performance and Evaluation Report (CAPER), which is to be submitted to HUD on or before September 26, 2008.



Fourth Program Year CAPER

The CPMP Fourth 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 with a 2007 update for the years 2004 through 2009 that provides a strategic vision for the community. The Plan has been approved by HUD. The Executive Summary and other materials can be found on the U.S. Department of Housing and Urban Development web site at <http://www.hud.gov/>, and on the City of Ames web site at: <http://www.cityofames.org.housingweb/Default.htm>. Please contact the City of Ames, Planning & Housing Department at (515) 239-5400 for additional information.

As part of the above Consolidated Plan and Plan update, the City of Ames' 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, anticipated over the next five (5) years, will be to utilize CDBG and other local and/or state funds to address the priority need categories listed below:

1. CDBG funds should be used for the acquisition, rehabilitation, and construction (in conjunction with HOME funds) of affordable housing and for support to homeowners, homebuyers, and renters to obtain and remain in affordable housing.
2. CDBG funds should be used to support a continuum of new or expanded housing and services targeted for the homeless.
3. CDBG funds should be used to increase or improve public facilities, infrastructure, and services.
4. CDBG funds should be used to expand opportunities by assisting with business development and by providing training and access.

The community, at the beginning of creating the five-year Consolidated plan, did not address the above goals in any specific prioritization of implementation. Rather, as a

new entitlement community, and being new to the process of looking at the community through a more detailed analysis, the City focused its first year on being successful in administering the responsibilities that the CDBG program requires, and elected to request an amendment at such time, deemed necessary, during the five-year period.

At the beginning of the second year, the City, with public feedback, began to focus as a priority through the Annual Action plans on the various "housing-related" activities for both rental and owner-occupied (i.e., homeownership assistance, minor rehabilitation, rental related assistance, etc.), and public facilities activities (i.e., non-profit housing rehabilitation, sidewalks improvements, etc.), and some public improvements activities in the area of slum and blight.

At the beginning of the third year, the City, with public input and customer feedback, has continued to focus on as a priority the Annual Action Plans priority goals one (1) and three (3), They are "housing-related" activities for both rental and owner-occupied (i.e., homeownership assistance, minor rehabilitation, rental related assistance, etc.), and public facilities activities (i.e., non-profit housing rehabilitation, sidewalks improvements, etc.), and some public improvements activities in the area of slum and blight.

At the beginning of the fourth year, the City, with customer feedback and through citizen input sessions, came to a consensus to continue to utilize CDBG funds to focus as a priority the Annual Action Plan's priority goals, outlined in the 2004-09 Consolidated Plan as follows: priority goal 1, specifically the "housing-related" activities for both rental and owner-occupied (i.e., homeownership assistance, minor rehabilitation, rental related assistance, etc.); and priority goal 3, specifically, the public facilities activities (i.e., non-profit housing rehabilitation, sidewalks improvements, etc.), and some public improvements activities in the area of slum and blight.

Additionally, over the last 20 plus years, the City has continued to include funding and utilize the ASSET process as a vehicle to provide financial assistance for the needs and service delivery to persons with incomes at 50% or less of the Story County median income limit and to the homeless, which addresses priority goal two (2).

The City addressed priority goal number five (5) by continuing to fund and to utilize its Economic Development Investment Program to assist in the creation and/or expansion of business development that can create jobs for low and moderate-income persons, while helping to maintain a viable economy for the community.

The City of Ames' Consolidated Annual Performance and Evaluation Report (CAPER) covers progress in carrying out the City's Consolidated Plan and above-named Annual Action Plan Projects for the fiscal year 2007. This Action Plan is the fourth plan based on the five-year Consolidated Plan for the fiscal years 2004-2009.

The following is a brief summary of the Annual Action Plan projects and expenditures that were accomplished in conjunction with the priority goals for the July 1, 2007 to June 30, 2008, program year.

1. PUBLIC SERVICES OBJECTIVE: CDBG funds should be used to support a continuum of new or expanded housing and services targeted for homeless, transitional housing clients, and persons with special needs:

The Renter Affordability Programs were implemented to assist families/household with gross annual incomes at or below 50% of the AMI with funds to cover the cost for rent and/or utility deposits, transportation, and childcare needs in order to improve access to affordable rental housing and gain economic stability. For the 2007-08 program year, \$100,013 was allocated, of which, \$69,568 was spent and 190 families/households were served through the implementation of the following activities:

- Deposit Assistance-79 families/households served, \$54,639 spent;
- Transportation Assistance-64 families/households served, \$8,385 spent;
- Utility Assistance-44 families/households served, \$4,135 spent;
- Child care Assistance-3 families/household served, \$2,409 spent

2. PUBLIC FACILITIES OBJECTIVE: CDBG funds should be used to increase or improve public facilities, infrastructure, and services:

a) The Minor Repair Assistance Program for Non-Profits was implemented to assist various non-profit agencies that provide shelter assistance and services to a limited benefit low- and very low-income clientele population (80% or less of AMI) with minor maintenance repairs and/or updates to their facilities. For the 2007-08 program year, \$41,540 was allocated, of which, all \$41,540 was spent assisting five (5) agencies, serving a total of 668 clients.

3. HOUSING ACTIVITIES OBJECTIVES: CDBG funds should be used for the acquisition, rehabilitation, and construction (in conjunction with HOME funds) of affordable housing and for support to homeowners, homebuyers, and renters to obtain and remain in affordable housing.

a) The Homebuyer Assistance Program, was implemented to assist low and moderate income, first-time homebuyers (80% or less of AMI) with the purchase of a single-family home. Although no homebuyers were assisted in purchasing a home during this program year, twelve (12) potential homebuyers participated in the Homebuyer Educational Seminar offered as part of the Homebuyer Assistance Program.

b) Under the Neighborhood Sustainability Programs, the following activities were implemented: Acquisition/Reuse Program (ARP). This activity sought to acquire, and/or demolish/remove single-family properties and/or lots for reuse/resell to non-profit organizations to provide affordable housing to assist low- and moderate-income (80% or less of AMI) families. For the 2007-08 program year \$553,566 was allocated, of which \$242,339 was spent, acquiring two (2) properties. Additionally, the acquisition of three (3) properties in 2005/06 & 2006/07 were sold during the program year: two (2) to Habitat for Humanity of Central Iowa and one (1) through the City's Lease to Purchase Program. An additional \$41,942 was spent on service delivery cost for the activity for a grand total of \$284,281 for both activities.

The 2007-08 proposed program budget was as follows:

Program Activity	07-08 Budget	06-07 Rollover	06-07 Program Income Earned	07-08 Anticipated Program Income Allocation	Total Anticipated Budget
General Admn****	\$100,033				\$100,033
Renter Affordability Programs***	\$75,025		\$24,988		\$100,013
		\$20,000			\$20,000
Minor Repair (Non Profits)**		\$30,000		\$11,541	\$41,541
Neighborhood Sustainability	\$325,107	\$90,000		\$138,459	\$553,566
Homebuyer Assistance	\$0	\$150,000			\$150,000
Totals	\$500,165	\$290,000	\$24,988	\$150,000	\$965,153
*** Renter Affordability program has a 15% cap limit based on 07-08 allocation plus program income earned in 06-07 (\$500,165 + 166,531) x 15%					
**** General Administration has a 20% cap limit of the 07-08 allocation (500,165 x 20%)					

The 2007-08 activity expenditures were as follows:

Renter Affordability Program:	\$ 69,568
Minor Repair Assistance Program for Non-Profits:	41,540
Neighborhood Sustainability Program:	284,281
2007-08 General Program Administration:	<u>115,683</u>
Grand Total for All Programs:	\$ 511,072

Of the \$395,389 funds spent on the above program activities (not including administration), \$353,849, which represents 89%, was spent on Housing Related Activities.

In addition to the above programs, in 2007-08 the City utilized other funding sources for the fiscal year; it administered a Minor Repair Program for single-family homeowners through the Ames/Story County Partnership Program in the amount of \$150,000, and with HUD funding, it administered 222 Section 8 Housing Choice Vouchers in the amount of \$988,000.

AMI=Area Median Income