

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON 2008-09 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT FOR COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

BACKGROUND:

Federal Community Development Block Grant regulations require that the City submit a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD by September 30, 2009. 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, 2008 through June 30, 2009.

The 2008-09 CAPER outlines the progress made in implementing the City's 2004-09 Consolidated Plan through the actions identified in the 2008-09 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, and provides statistical information not captured by HUD's Integrated Disbursement and Information System. The regulations require that the CAPER be available for a 15-day public review and comment period, which occurred from September 8, 2009 through September 22, 2009. Attached for Council review and approval is a copy of the Executive Summary of the 2008-09 CAPER. A full copy of the CAPER and attachments are available for review on the City's web site at www.cityofames.org.

ALTERNATIVES:

1. The City Council can authorize submittal of the City's 2008-09 Consolidated Annual Performance and Evaluation Report (CAPER).
2. The City Council can choose to not authorize submittal of the City's 2008-09 Consolidated Annual Performance and Evaluation Report (CAPER).

MANAGER'S RECOMMENDED ACTION:

It is important that the CAPER be submitted to HUD so that the City can properly report on its CDBG activities.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, authorizing submittal of the City's 2008-09 Consolidated Annual Performance and Evaluation Report (CAPER) to HUD before September 30, 2009.



Fifth Program Year CAPER

The CPMP Fifth 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 5 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 five (5) year period, 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 on 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 the above-named Annual Action Plan Projects for the fiscal year 2008-09. This Action Plan is the fifth 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, 2008 to June 30, 2009, 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 2008-09 program years, \$101,014 was allocated, of which, \$99,801 was spent and 233 families/households were served through the implementation of the following activities:

- Deposit Assistance-82 families/households served, \$71,221 spent;
- Transportation Assistance-96 families/households served, \$16,239 spent;
- Utility Assistance-51 families/households served, \$7,503 spent;
- Child care Assistance-4 families/household served, \$4,837 spent.

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

a) The Neighborhood Curb Replacement Program was implemented to provide for the installation of replacement curbs in targeted low and moderate-income census tracts where at least 51% of persons residing in these tracts have been identified as having gross annual incomes at 80% or less of the Story County median. The overall goal of the Curb Replacement Program is to remove barriers that restrict the mobility and accessibility of low and moderate-income elderly and/or handicapped person in their neighborhoods and the community. For the 2008-09 program year, \$109,743 was allocated, of which \$109,742 was spent replacing 2,033 linear feet of curb & gutter; 184 driveway approaches; 88 truncated dome pads installed; and 57 square yards of sidewalk in census tract #10. The low and moderate-income benefit comprised in census tract #10 is 59.20%.

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. For the 2008-09 program years, \$100,000 was allocated, of which \$11,800 was spent assisting one (1) family/household in purchasing a home during this program year. However, seven (7) 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/resale to non-profit organizations to provide affordable housing to assist low- and moderate-income (80% or less of AMI) families. For the 2008-09 program year \$522,880 was allocated, of which \$342,533 was spent, acquiring two (2) properties. Additionally, of the four (4) properties acquired in 2007/08, two (2) were sold during the program year to Habitat for Humanity of Central Iowa and the remaining two are anticipated

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to be sold in program year 2009-10. An additional \$11,777 was spent on service delivery cost for the activity for a grand total of \$354,310 for both activities.

The 2008-09 proposed Action Plan Expenditure Budget was as follows:

<u>Programs</u>	<u>Budget</u>
Renter Affordability Program	\$ 101,000
Neighborhood Sustainability Program	100,000
Neighborhood Housing Improvement Program *	281,490
Homebuyer Assistance Program	100,000
Neighborhood Curb Replacement Program	100,000
Human Service Campus Project *	600,000
2008-09 Program Administration	<u>95,938</u>
Total	\$ 1,378,428

The 2008-09 activity expenditures were as follows:

Renter Affordability Program:	\$ 99,801
Neighborhood Curb Replacement Program:	109,743
Neighborhood Sustainability Program:	342,533
Neighborhood Sustainability-Service Delivery	11,777
2008-09 General Program Administration:	<u>109,262</u>
Grand Total for All Programs:	\$ 673,116

Approximately \$73,731 of new program income was generated in 2008-09, which reduced and/or added to the overall expenditure outcome.

Of the \$552,077 funds spent on the above program activities (not including administration costs), \$442,334, which represents 80% of the total, was spent on Housing Related Activities.

In addition to the above programs, in 2008-09 the City utilized other funding sources for the fiscal year; it administered the Section 8 Housing Choice Vouchers in the amount of approximately \$1,133,657 (of which \$104,807 was for administration).

*The Human Service Campus and the Neighborhood Housing Improvements Program were not implemented during the program period.

AMI=Area Median Income