

**COUNCIL ACTION FORM**

**SUBJECT: 2009-10 CONSOLIDATED ANNUAL PERFORMANCE AND  
EVALUATION REPORT (CAPER)**

**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 was to be submitted to HUD on or before September 30, 2010. Due to workload on flood recovery efforts, staff requested and was granted an extension until December 31, 2010.

The 2009-10 CAPER reports accomplishments in relation to goals and objectives identified in the City's 2009-2014 Consolidated Plan requirements for the use of CDBG funding and in the Annual Action Plan for fiscal year July 1, 2009, through June 30, 2010. The CAPER provides statistical information not captured by HUD's Integrated Disbursement and Information System (IDIS). HUD regulations require that the CAPER be available for a 15-day public review and comment period, which occurred November 30, 2010, through December 14, 2010. Attached for Council review and approval is a copy of the Executive Summary of the 2009-10 CAPER. A full copy of the CAPER and attachments are available for review on the City's web site at: [www.cityofames.org](http://www.cityofames.org).

**ALTERNATIVES:**

1. The City Council can approve submittal of the City's 2009-10 Consolidated Annual Performance and Evaluation Report (CAPER).
2. The City Council can direct staff to modify this report before submitting it to HUD.

**MANAGER'S RECOMMENDED ACTION:**

The CAPER report summarizes necessary program accomplishments for 2009-10 and satisfies HUD's reporting requirements.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving submittal of the City's 2009-10 Consolidated Annual Performance and Evaluation Report. The report will then be submitted to HUD before December 31, 2010.

CITY OF AMES  
CONSOLIDATED ANNUAL PERFORMANCE  
AND EVALUATION REPORTS (CAPER)  
FOR  
FEDERAL FISCAL YEAR 2009 - 2010

CITY OF AMES FISCAL YEAR  
JULY 1, 2009 THROUGH JUNE 30, 2010



Public Comment Period:  
November 30, 2010 thru  
December 14, 2010



# First Program Year CAPER

The CPMP First 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 1 CAPER Executive Summary response:

The City of Ames Planning & Housing Department has prepared a Consolidated Housing and Community Development Plan for the next 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](http://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/housingweb/Default.htm](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 this Consolidated Plan and Annual Action Plan period, 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) 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;

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 had been the focus during the 2004-09 period. 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, as a new entitlement community, was very successful in implementing the program activities that led to having exceeded the 70% low- and moderate-income benefit expenditure requirement by approximately 25%. Therefore, over the next five-year period the City will continue to administer and focus its programming in the above three priority need areas.

One of the City Council goals continues to be to "Strengthen Neighborhoods." Therefore, the 2009-10 Action Plan projects' primary focus was to implement programs that would strengthen neighborhoods by implementing housing-related activities for both rental and owner-occupied (e.g. homeownership assistance, rehabilitation, rental-related assistance, etc.); by implementing public facilities activities (e.g., non-profit housing rehabilitation, sidewalks, street and curb repair, water, sewer improvements, etc.); by implementing public service one-time activities for new or expanded services for various human service agencies; and to continue to focus on the ASSET process as a 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' 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 2009-10. This Action Plan is the first plan based on the five-year Consolidated Plan for the fiscal years 2009-2014.

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, 2009, to June 30, 2010, program year. However, due to unforeseen circumstances in staffing turnover, only minimal project activities were able to be implemented during the 2009-10 Action Plan period. Those activities were in the area of rental and owner-occupied activities.

1. PUBLIC SERVICES OBJECTIVE: 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.

Under the Renter Affordability Program, activities were implemented to assist families/households 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 utility bill assistance in order to improve access to affordable rental housing and gain economic stability.

For the 2009-10 program year, \$84,485 was allocated, of which \$8,734 was spent and 43 families/households were served through the implementation of the following activities:

- Deposit Assistance (rent and utilities)-4 families/households served, \$1,135.00 expensed
- Transportation Assistance-28 families/households served, \$4,283 was expensed
- Utility Bill Assistance-11 families/households served, \$3,316 expensed

2. 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.

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. Although for the 2009-10 program year \$100,000 was allocated, this activity was not able to be implemented due to not only staffing constraints, but also a sluggish economy, along with a significant rise in foreclosed properties that caused financial institutions to restructure their mortgage lending underwriting guidelines, thereby impacting the ability for low-income first-time homebuyers to qualify for mortgage loans.

b) Under the Neighborhood Sustainability Program, the only activity implemented was the 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 2009-10 program year, \$167,312 was allocated, of which \$496,221 was spent acquiring four (4) properties. Of the four (4) properties, one is designated to be sold to Habitat for Humanity of Central Iowa. The other three (3) are anticipated to be sold to first-time homebuyers in 2010-11 or 2011-12.

Additionally, of the two (2) properties acquired in 2007-08, both were sold to Habitat for Humanity of Central Iowa, one (1) in the 2008-09 program year. One has been sold to a Habitat low-income first-time homebuyer in 2008-09, and the other is anticipated to be sold in program year 2010-11. In the 2008-09 program year, two (2) properties were purchased. One (1) has been sold to Habitat for Humanity of Central Iowa, and has been rehabilitated; it is anticipated to be sold to a Habitat low-income first-time homebuyer in 2010-11. The other property is also anticipated to be sold in program year 2010-11. Additionally, \$33,445 was spent on maintenance care for the remaining properties that have been purchased and are waiting to be rehabilitated and sold.

c) The Neighborhood Housing 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. Although for the 2009-10 program year \$587,267 was allocated, approximately \$5,516 was spent on providing lead safe renovator training for contractors. In April 2010 the state of Iowa changed its regulations and implemented new certification training requirements for all contractors who perform renovation and remodeling, contractors who replace windows and doors, painters, some plumbers and electricians, etc. There were a large number of contractors that needed to become certified in order to be eligible to be considered in the pool to participate in this program activity. Therefore, this activity was not able to be implemented fully due to those circumstances, as well as staffing constraints.

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.

a) For the program year 2009-10, the Public Facilities Improvement Program for non-profit organizations was designed to assist with the repair and/or replacement of facilities that house and/or provide services to the homeless, very low-, and low-income residents, and to improve and enhance the viability and aesthetics of our core existing neighborhoods. Although for the 2009-10 program year \$265,000 was allocated, this activity was not able to be implemented due to staffing constraints.

b). For the program year 2009-10, no Neighborhood Infrastructure Improvement Program was designated to occur under the regular CDBG Program.

The 2009-10 proposed Action Plan Expenditure Budget was as follows:

<u>Programs</u>	<u>Budget</u>
Renter Affordability Program	\$ 84,485
Neighborhood Sustainability Program	167,312
Neighborhood Housing Improvement Program	587,267
Homebuyer Assistance Program	100,000
Public Facilities Improvement Program	265,000
2009-10 Program Administration	<u>135,141</u>
Total	\$1,339,205

The 2009-10 activity expenditures were as follows:

Renter Affordability Program	\$ 8,734
Neighborhood Sustainability Program	496,221
Neighborhood Housing Improvement Program	5,516
2009-10 General Program Administration	<u>75,476</u>
Grand Total for All Programs	\$ 585,947

Approximately \$8,742 of new program income was generated in 2009-10, which reduced the overall expenditure outcome.

Of the \$585,947 spent on the above program during the program year, all \$483,471 (not including administration costs) was spent on housing-related activities.

In addition to the above programs, in 2009-10 the City utilized other funding sources for the fiscal year: it administered the Section 8 Housing Choice Vouchers in the amount of approximately \$1,100,294 (of which \$134,257 was for administration).

AMI=Area Median Income

## General Questions

1. Assessment of the one-year goals and objectives:
  - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.
  - b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.