

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON SUBMITTAL OF 2010-11 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

BACKGROUND:

The federal government's 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). This report must be submitted to the Department of Housing and Urban Development (HUD) by September 30, 2011.

The 2010-11 CAPER reports accomplishments in relation to goals and objectives identified in the City's 2009-2014 Consolidated Plan and in the Annual Action Plan for fiscal year July 1, 2010, through June 30, 2011. The CAPER provides statistical information not captured by HUD's Integrated 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 9 - 23, 2011.

Attached for Council review and approval is a copy of the 2010-11 CAPER's Executive Summary. 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 2010-11 Consolidated Annual Performance and Evaluation Report (CAPER) as prepared by staff.
2. The City Council can direct that changes be made to the City's 2010-11 Consolidated Annual Performance and Evaluation Report (CAPER).

MANAGER'S RECOMMENDED ACTION:

The CAPER report summarizes the City's CDBG activities over the past fiscal year, and must be submitted to remain compliant with HUD regulations.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, thereby approving submittal of the City's 2010-11 Consolidated Annual Performance and Evaluation Report (CAPER).



Second Program Year CAPER

The CPMP Second 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 2 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. 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' 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; 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, as a new entitlement community during that period, 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 (2009-14) 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 2010-11 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 2010-11. This Action Plan is the second 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, 2010, to June 30, 2011, program year. **However, due to an unforeseen flooding event that occurred in the City of Ames in August 2010 which destroyed and/or damaged both residential and commercial properties, only minimal project activities were able to be implemented during the 2010-11 Action Plan period. The budget allocated for these activities was set aside in order to be used as possible matching funds for applying for a Flood Buy-Out Program through the Iowa Homeland Security Emergency Management Division.** Those were in the areas of public infrastructure and rental-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 2010-11 program year, approximately \$85,132 was allocated, of which \$1,313 was spent and 12 families/households were served through the implementation of the following activities:

- Transportation Assistance – 9 families/households served, \$462 was expensed (5 for Fuel Assistance – \$252; 4 for Bus Passes – \$210.00)
- Utility Bill Assistance – 3 families/households served, \$852.00 was 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.

The Neighborhood Sustainability Program is the umbrella program that contains the following core program components: Homebuyer Assistance, Acquisition/Re-use, Slum and Blight, and Neighborhood Home Improvement Program. For the 2010-11 program year, \$441,200 was allocated to cover the implementation of all or some of the above component programs. The budget breakdown will be outlined for each component that was proposed for implementation for the 2010-11 program year.

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 2010-11 program year \$50,000 was allocated, this activity was canceled due to an unforeseen flooding event that occurred in the City of Ames in August 2010. The budget allocated for this activity was set aside in order to be used as possible matching funds for applying for a Flood Buy-Out Program through the Iowa Homeland Security Emergency Management Division.

b) The Acquisition/Reuse Program (ARP) was designed 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 2010-11 program year, \$138,696 was allocated, of which approximately \$37,945 was spent on property maintenance for houses waiting to be rehabilitated and sold to first-time homebuyers and/or a non-profit organization. However, due to an unforeseen flooding event that occurred in the City of Ames in August 2010, the budget allocated for this activity was set aside in order to be used as possible matching funds for applying for a Flood Buy-Out Program through the Iowa Homeland Security Emergency Management Division.

However, one (1) property that was acquired in 2009-10 that was sold to Habitat for Humanity of Central Iowa has been sold to a Habitat low-income first-time homebuyer in the 2010-11 program year.

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. For the 2010-11 program year \$252,504 was allocated. However, due to an unforeseen flooding event that occurred in the City of Ames in August 2010, the budget allocated for this activity was set aside in order to be used as possible matching funds for applying for a Flood Buy-Out Program through the Iowa Homeland Security Emergency Management Division.

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 components: Public Facilities Improvement Program and the Neighborhood Public Infrastructure Program. For the 2010-11 program year, \$590,000 was allocated to cover the implementation of all or some of the above component programs. The budget breakdown will be outlined for each component that was proposed for implementation for the 2010-11 program year.

a) 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, extremely low-, and low-income residents. For the program year 2010-11, \$265,000 was allocated. This activity was not able to be implemented due to an unforeseen flooding event that occurred in the City of Ames in August 2010. The budget allocated for this activity was set aside in order to be used as possible matching funds for applying for a Flood Buy-Out Program through the Iowa Homeland Security Emergency Management Division.

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, and installing handicapped accessible sidewalks and dome pads. For the program year 2010-11, \$325,000 was allocated, of which \$367,575 was spent installing 3,064 linear feet (lf) of curb and gutter, 1,605.40 lf of new street paving, 100.56 square yards of driveway approaches, 61.2 square yards of sidewalk ramps, and 5 truncated domes.

The 2010-11 proposed Action Plan Expenditure Budget was as follows:

<u>Programs</u>	<u>Budget</u>
Renter Affordability Program	\$ 85,132
Neighborhood Sustainability Program	138,696
Neighborhood Housing Improvement Program	252,504
Homebuyer Assistance Program	50,000
Public Facilities Improvement Program (Non Profits)	265,000
Neighborhood Infrastructure Improvement Program	325,000
2010-11 Program Administration	<u>129,083</u>
Total	\$1,245,415

The 2010-11 activity expenditures were as follows:

Renter Affordability Program	\$ 1,313.47
Neighborhood Sustainability Program	37,945.42
Neighborhood Public Infrastructure Program	367,575.43
2010-11 General Program Administration	<u>68,589.44</u>
Grand Total for All Programs	\$ 475,423.76

Approximately \$10,853.49 of program income was generated in 2010-11, which reduced the overall expenditure outcome.

Of the \$406,834.32 (not including administration costs) that was able to be spent on the above programs during the program year, \$39,258.89 was spent on housing-

related activities and \$367,575.43 was spent on Neighborhood Sustainability Infrastructure-related activities.

In addition to the above programs, in 2010-11 the City utilized other funding sources for the fiscal year: it administered the Section 8 Housing Choice Vouchers in the amount of approximately \$1,183,385 (of which \$91,444 was for administration).

AMI=Area Median Income