

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON SUBMITTAL OF THE CITY'S 2012-13 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, 2013.

The 2012-13 CAPER reports accomplishments in relation to goals and objectives identified in the City's 2009-2014 Consolidated Plan requirements for the use of Community Development Block Grant (CDBG) and in the Annual Action Plan for fiscal year July 1, 2012, through June 30, 2013. The regulations require that the CAPER be available for a 15-day public review and comment period, which occurred September 10, 2013, through September 24, 2013.

Attached for Council review and approval is a copy of the Executive Summary of the 2012-13 CAPER, which reports that of the \$1,145,276 budgeted, \$549,280 (48%) was spent implementing the following four programs: Renter Affordability, Neighborhood Public Infrastructure Improvements Program, Homebuyer Assistance and the Operation/Repair Foreclosure Program. 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 adopt a resolution approving the submittal of the City's 2012-13 Consolidated Annual Performance and Evaluation Report (CAPER).
2. The City Council can deny adoption of a resolution approving the submittal of the City's 2012-13 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 2012-13 Consolidated Annual Performance and Evaluation Report (CAPER), which is to be submitted to HUD on or before September 29, 2013.



**CITY OF AMES
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORTS (CAPER)
FOR**

FEDERAL FISCAL YEAR 2012 - 2013

**CITY OF AMES FISCAL YEAR
JULY 1, 2012 THROUGH JUNE 30, 2013**



Public Comment Period:

September 10, 2013 thru September 24, 2013



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 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 the above 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's goals that drive the three priority needs is to **continue** to address the need to Strengthen Neighborhoods. Therefore, in 2012-13 the Annual Action Plan projects set out to focus on various activities that would continue to **strengthen neighborhoods** by implementing housing-related activities (e.g., homeownership assistance, rehabilitation, deposit and/or first month's rent assistance, etc.) and by implementing public infrastructure activities (e.g., sidewalks, street and curb repair, water,

sewer improvements, etc.). Additionally, the City Council's priority is to continue to participate and fund the ASSET process. The ASSET process is a successful 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) will cover the progress in carrying out the City's Consolidated Plan, the three priority goals and the Annual Action Plan project goals for the fiscal year 2012-13. The Annual Action Plan was the fourth plan based on the five-year Consolidated Plan for the fiscal years 2009-2014.

The following is a summary of the Annual Action Plan projects and expenditures that **were able to be accomplished** in conjunction with the priority goals for the July 1, 2012, to June 30, 2013, program year.

1. 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, Operation/Repair of Foreclosure Properties (Acquisition/Reuse), Dangerous Building Program (Slum and Blight program), Single Family Conversion Project, and the Neighborhood Housing Improvement Program. For the 2012-13 program year \$599,086, (not including administration) was allocated to cover the implementation of **all or some** of the above five project activities.

- 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. The overall goal of the Homebuyer Assistance Program is to allow low- and moderate-income households to gain access to housing and/or improve their housing status. For the 2012-13 program year \$115,500 was allocated for this activity. Applications for the program were solicited during the year. Nine (9) applied for the program and seven (7) applicants participated in the Homebuyer Educational Seminar to learn more about the home buying process and if they qualify for the down payment and closing cost assistance. Determining eligibility and assisting in a home purchase will likely occur in the 2013-14 program year. Approximately \$307 was on spent during the program year for cost associated with the Homebuyer Educational Seminar.
- b) The Operation/ Repair of Foreclosure Properties was designed to improve foreclosed properties needing repair to make them available to low and moderate-income, first time home buyers through the Homebuyer Assistance Program, or to sell them to a non-profit organization, such as Habitat for Humanity for them to rehabilitate and sell the homes to eligible Habitat applicants. The overall goal of the program was to increase the availability of affordable housing to low income families and to maintain decent, safe, and sanitary housing stock in existing neighborhoods.

For the 2012-13 program year \$97,500, was allocated for this activity, including a re-allocation of approximately \$35,000 from the Housing Improvement, and Public Improvements budgets. There are five properties that were purchased under the Acquisition/Reuse Program over the last six years that fall under the Operation/Repair of Foreclosure Program, to be rehabilitated and sold to first-time homebuyers.

All five properties were tested for lead paint and radon as part of the work specifications. One of the five in particular was identified to be rehabilitated utilizing funding under this program of approximately \$40,000 along with funding from our 2009 Community Development Block Grant Recovery Program (CDBG-R) of approximately \$30,000. Under the CDBG-R Program, the funds were designated to utilize an existing single-family home by incorporating "go-green" features as part of the rehabilitation of the property to create an environmentally friendly, healthy, affordable home. The green affordable home would then to be sold to an eligible, low or moderate income, first-time homebuyer, in conjunction with the City's CDBG Homebuyer Assistance Program. The solicitation of bids was completed and the rehabilitation work began in 2012-13, but was not completed by the end of that program year. Approximately \$88,918 was spent in 2012-13, of which \$30,676 was spent on the "go-green rehabilitation property, and the reminder (\$58, 242) was spent on property maintenance on the remaining properties.

- b) The Neighborhood Home 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. The overall goal of the Neighborhood Housing Improvement Program is to allow single-family homeowners to reside in decent, safe, and sanitary housing that will enhance neighborhood sustainability. For 2012-13, the initial budget was \$378,896. However, the program was delayed from being implemented due to the City not being able to complete a Programmatic Agreement with the State Historic Preservation Office (SHPO) in order to streamline and expedite requirements when processing program applicants. The City will continue to work with SHPO to complete an agreement.
- c) The Dangerous Buildings (Slum and Blight Program) was designed to demolish deteriorated properties that have been identified by city code regulations as being unsafe and in need of immediate repair or need to be demolished. The program budget for 2012-13 is approximately \$45,000 (including administrative cost). The objectives are to protect and maintain safe neighbors and floodplains by the removal of blighted or other environmentally unsafe areas throughout the City. This program was not implemented in 2012-13 due to staff turnover and staff shortages in the Inspections Division. Funding for the program was re-allocated to the Renter Affordability Program.
- d) The Single Family Conversion Pilot Program was designed to offer loan repair funds to a property owner of a single-family conversion rental unit to convert back into a single-family unit to sell to low- and moderate-income homebuyers. The program budget for 2012-13 was \$25,000. Due to lack of interest from property owners, the funding for this activity was re-allocated to the Renter Affordability Program.

2. PUBLIC SERVICES OBJECTIVE: 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.

- a) The Renter Affordability Program was re-opened late in the 2012-13 program year. Funding from the Dangerous Building, Single-Family Conversion, and savings from the Public Improvements Program activities were re-allocated for a program budget of approximately \$80,141 A Deposit and/or First Month's Rent activity was implemented under this program. The Deposit and/or First Month's Rent activity was designed to assist households with incomes at 50% or less of the area median income with funding to rent decent, safe affordable rental units. Although the program was only implemented in the last 4-5 months of the program year, \$8,885 was spent and twelve (12) households were assisted.

2. 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 activities: the Public Facilities Improvement Program and the Neighborhood Public Infrastructure Program.

a) The Facilities Improvement activity was designed to assist non-profit organizations with financial assistance to make repair to their facilities that house and/or provide services to homeless, very-low, and low-income residents. For the 2012-13 program year no fund were allocated for the Public Facilities Program.

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 2012-13 program year, in census tract 13.1, \$378,896 was initially allocated, of which approximately \$348,609 was spent installing approximately 1,537 linear feet (lf) of curb and gutter, 768.5 lf of new street paving, 327 square yards of driveway approaches, 590 square yards of sidewalk ramps, 589 lf of storm sewer pipe and 168 square feet of truncated domes. The population of LMI households in this census tract is 60.4%.

Amended 2012-13 Action Plan Expenditure Budget:

<u>Programs</u>	<u>Budget</u>	
Dangerous Building Program (Slum & Blight)	0.00	
Renter Affordability Program (Deposit & Rent)	81,141	
Neighborhood Housing Improvement Program	386,086	
Operation and Repair of Foreclosure Property	97,500	
Single-Family Conversion Project	0.00	
Homebuyer Assistance Program	115,500	
Neighborhood Infrastructure Improvements Program	352,820	2012-13
Program Administration	<u>113,229</u>	
Total	\$1,145,276	

The 2012-13 Activity Expenditures were as follows:

<u>Programs</u>	<u>Budget</u>	
Homebuyer Assistance Program	307	
Operation and Repair of Foreclosure Property	\$ 88,918	
Renter Affordability Program	8,885	
Neighborhood Infrastructure Improvements Program	348,609	2012-13
Program Administration	<u>102,561</u>	
Total	\$ 549,280	

Approximately \$4,945 of program income was generated in 2012-13, which reduced the overall expenditure outcome as follows: \$1,966 towards the cost of the Operation and Repair for Foreclosure Property; \$2,193 towards the cost of the Neighborhood Infrastructure Improvements Program; and \$786 towards the cost of program administration.

Of the \$446,719 (not including administration costs) that was able to be spent on the above programs during the program year, \$98,110 was spent on housing-related activities and \$348,609 was spent on Neighborhood Sustainability Infrastructure-related activities.

In addition to the above programs, in 2012-13 the City contributed approximately \$1,150,278 to the ASSET Program to support the local Human Service Agencies shelter and preventive needs of homeless and low income families in the community. (See Appendix III).

AMI=Area Median Income; LMI=Low and Moderate-Income