

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON ACCEPTANCE & SUBMITTAL OF THE CITY'S 2018-19 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 prior to the end of its fiscal year, the City must prepare a Consolidated Annual Performance and Evaluation Report (CAPER). The report is required to be submitted to the Department of Housing and Urban Development (HUD) on or before September 29 each year. However, staff requested and received an extension to submit the report on or by November 15, 2019.

The CAPER reports accomplishments in relation to goals and objectives identified in the City's 2014-2018 Consolidated Plan requirements for the use of Community Development Block Grant (CDBG) and in the Annual Action Plan for the July 1, 2018 through June 30, 2019 fiscal year. The regulations require that the CAPER be available for a 15-day public review and comment period, which occurred from October 24, 2019, through November 7, 2019.

Attached for Council review and approval is a copy of the Executive Summary of the 2018-19 CAPER, which reports that of the \$1,178,494 of CDBG funds allocated (includes administration and anticipated program income), \$595,695 was expensed on the following activities: Renter Affordability Program Activities, Affordable Housing Program Activities either through the Disposition of Properties, and/or the Rehabilitation of Properties, and Neighborhood Public Infrastructure Improvements Program for 321 State Avenue. Fifty-eight (58) low-income households were assisted. Additionally, approximately \$3,139 of program income was generated from repayments of single-family homes that were sold through the Homebuyer Assistance Program. Approximately \$112,249 was spent on program administration. Total CDBG expenditures for the FY 2018-19 program year was approximately \$707,945.

An additional \$250,000 of G.O. Bond funds were available during the program year but there were no expenditures during the program year. The City also received its first allocation on HOME funding in the amount of \$750,000. Of the \$750,000 allocation, \$75,000 was available for program administration and approximately \$562,500 was available for program. The majority of the 2018-19 fiscal year was spent on program set-up and training in the amount of \$2,250.

A full copy of the CAPER and attachments are available for review on the City's web site at: www.cityofames.org/housing/CAPER.

ALTERNATIVES:

1. Adopt a resolution approving the submittal of the City's 2018-19 Consolidated Annual Performance and Evaluation Report (CAPER).
2. Do not adopt a resolution approving the submittal of the City's 2018-19 Consolidated Annual Performance and Evaluation Report (CAPER).

CITY 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 2018-19 Consolidated Annual Performance and Evaluation Report (CAPER), which is to be submitted to HUD on or by November 15, 2019.

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ASSET Funder Priorities for FY 2018-19; and Final Funding Recommendations

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

With community input, the overall goals and outcomes of the City's 2014-18 Strategic Plan is to increase the supply of affordable housing for low and moderate income persons, and to continue to support and maintain the public service needs for special populations, homeless, and low income households. The major progress that the City made in carrying out these two overall strategies was through the implementation of the following project activities for 2018-19: Acquisition/Reuse for Affordable Housing, Renter Affordability Program, Disposition of Properties, Acquisition/Rehab of Properties, and the Public Infrastructure Improvements Program for 321 State Avenue.

The **Acquisition/Reuse Program** was designed to create, expand, and maintain affordable housing for homeless and low-income persons (80% or less of AMI) by: a. increasing the supply of affordable rental housing for low-income families, b. increasing the availability of affordable owner-occupied housing or c. maintaining the supply of affordable owner-occupied housing. Under this activity the City **did not** acquire any properties under the 2018-19 program year.

The **Renter Affordability Program** was designed to provide assistance to low-income households who are at or below 60% or less of the Story County median income limits, to gain access to rental housing units that will improve their housing status, and help them to secure economic stability in order to obtain and/or remain in affordable housing units. The activities implemented were a Deposit, First Month's Rent, and Transportation (Bus Passes and Fuel Vouchers) Assistance. During the program year 2018-19, a total of 51 Households with incomes at 60% or below the AMSA were assisted through the Deposit, First Month's Rent and Transportation Assistance Programs. Of the 51 households assisted, 33 received assistance with Deposit and/or First Month's Rent, and 18 received assistance with Transportation (9- fuel vouchers, 4-Cy-ride Bus Passes & 5-HIRTA Bus Passes). Additionally, out of the 51 households assisted seven (7) households were assisted in the City's designated Neighborhood Revitalization Strategy Area (NRSA).

The **Disposition of Properties** was designed to provide maintenance and costs for properties purchased in previous program years. For 2018-19 the activity included the on-going maintenance of seven (State, Sixth, Stafford, Village and Morningside) lots. For State Avenue see the comments under the Public Infrastructure Improvements Program. For the Sixth Street properties (three contiguous lots that will be sold as one), the lots are slated to be sold on the open market for re-development and the revenue received to be directed to the 321 State Avenue Program, however, the sale of the lots has been moved to the 19-20 program year. The Stafford, Village and Morningside

properties are being reported under Acquisition/Rehabilitation Activity.

The Acquisition/Rehabilitation Activity was designed to rehabilitate properties purchased under the Acquisition/Reuse Program that needed repairs before being sold to eligible buyers. There were three properties (Stafford, Village and Morningside) under this activity. For 2018-19, the Stafford is under contract to be sold to Habitat for Humanity. Habitat will be completing some additional rehabilitation to the property and will be selling the property to an eligible Habitat home buyer in 2019/20. The rehabilitation of Village property will not be completed until the 2019-20 program year. Due to the deterioration of the Morningside property, the activity was moved to a demolition/clearance project. For 2018-19, clean up and removal of hazardous materials (mold and asbestos) was removed to prepare the site for demolition in 2019-20 and being sold to Habitat for Humanity to construct a new home for an eligible Habitat home buyer in 2019-20.

The Public Infrastructure Improvements Program for 321 State Avenue. Under this program activity, during the 2015-16 program year, the acquisition of one 10-acre parcel (old Ames Middle School site) was completed. Although construction of housing has not begun, in 2016-17 the City was successful in receiving its first Neighborhood Revitalization Strategy Area designation for the 10-acre parcel. In 2017-18, although there was an unsuccessful attempt to negotiate an agreement with a local developer in the spring of 2018, the City as the “developer” prepared the specifications, solicited for bids and was successful in awarding a contract to begin the installation of the infrastructure improvements on the site. For 2018-19, phase I of the infrastructure improvements were installed, which was the construction of an extension of Tripp Street through the middle of the site. Phase II development will begin in 2019-20.

The Neighborhood Housing Improvements and the Homebuyer Assistance Programs were not implemented during this program year. The opportunity to acquire a large parcel of land to expand the development of affordable housing for low income persons and households – which addresses the heart of the strategic plan – continues to be the primary focus of all the activities that were implemented for the 2018-19 program year. Without the completion of the Public Infrastructure Improvements the Homebuyer Assistance Program cannot be implemented. Implementation of a Housing Improvements Program will be considered in the planning of the 2019-2024 Five-year Consolidated Plan and the 2019-2020 Annual Action Plan.

In addition to the outcomes listed below, a summary of accomplishments in attaining the goals and objectives for the reporting period can be found in Appendix I, along with a project map and budget in Appendix II.

The City also received its first allocation on HOME funding in the amount of \$750,000. Of the

\$750,000 funding allocation, \$75,000 was available for program administration and approximately \$562,500 was able for programming. The majority of the 18-19 fiscal year was spent on program set-up and training in the amount of \$2,250. The City intends to use the funding to build affordable homes on the 321 State Avenue site that is located in our NRSA.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

For the 2018-19 program year, the original projects slated to be implemented were the Renter Affordability, Homebuyer Assistance, Public Infrastructure Improvements for State Avenue, Acquisition/Reuse for Affordable Housing, and Disposition of Properties and the Home Improvement Program. For 2018-19 the Public Infrastructure Improvements was the priority project, this was due to the following delays: the negotiations with a developer failed; the City became the developer; the project scope had to be reduced and redesigned; and a new round of solicitation of construction bids, and installation of the street extension through the site. This substantially delayed the project and the opportunity to implement the Homebuyer Assistance Program and the Home Improvement Program. However, the Renter Affordability Program, Acquisition/Reuse Program, and the start of the Public Infrastructure Program was able to occur.