

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON ACCEPTANCE & SUBMITTAL OF THE CITY'S 2019-20 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 each year. However, due to a COVID-19 HUD waived the due date until December 31, 2020. Additionally, staff requested and received an extension to submit the report on or by January 31, 2021.

The 2019-20 CAPER reports accomplishments in relation to goals and objectives identified in the City's 2019-2023 Consolidated Plan requirements for the use of Community Development Block Grant (CDBG) and in the Annual Action Plan for fiscal year July 1, 2019, through June 30, 2020. The regulations require that the CAPER be available for a 15-day public review and comment period, which occurred January 1, 2021, through January 25, 2021.

Attached for Council review and approval is a copy of the Summary of the 2019-20 CAPER. For the 2019-20 program year, approximately \$368,341 was allocated and approximately \$304,652 was expensed. Of the \$304,652 expensed, \$50,402 was from program income. For the HOME funds, \$13,078 was spent on program administration. The major activity implemented in 2019-20 was on the public infrastructure improvements at Baker Subdivision, because this activity occurred in our Neighborhood Revitalization Strategy Area (NRSA), the area benefitted approximately 2,310 people/households.

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. The City Council can adopt a resolution approving the submittal of the City's 2019-20 Consolidated Annual Performance and Evaluation Report (CAPER).
2. The City Council can direct staff to modify the City's 2019-20 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 2019-20 Consolidated Annual Performance and Evaluation Report (CAPER), which is to be submitted to HUD on or by January 31, 2021.



PROPOSED DRAFT

CITY OF AMES

**CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION
REPORTS (CAPER)**

**CITY OF AMES FISCAL YEAR
JULY 1, 2019 THROUGH JUNE 30, 2020**



**Public Comment Period:
January 11, 2020 thru January 25, 2021**



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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 2019-23 Strategic Plan continue to be 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 2019-20 for the CDBG Program: Acquisition/Reuse for Affordable Housing, Home Buyer Assistance, Disposition of Properties, Acquisition/Rehab of Properties, the installation of Public Infrastructure Improvements Program for Baker Subdivision (321 State Avenue) in our NRSA, along with a first Amendment to the Action Plan to that included a Acquisition/Relocation/Demolition Program for an Installation of a Shared Use Bike Path in our NRSA. Lastly, a second Amendment to the Action Plan was completed to include funding received to implement the following three programs due a worldwide Coronavirus Pandemic: 1) Rent Relief Assistance; 2) Mortgage Relief and 3) Utility Relief Assistance for both Renters and Homeowners.

For the 2019-20 program year, approximately \$368,341 (including administration) was expensed and approximately \$304,652** (without administration of CDBG funds was expensed). Of the \$368,341 expensed, \$50,402 was from program income. For the HOME funds, \$13,078 was spent on program administration.

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 2019-20 program year.

The **Disposition of Properties** was designed to provide maintenance and costs for properties purchased in previous program years. For 2019-20 the activity included the on-going maintenance of five (Sixth lots, Morningside and Village) remaining properties. 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 returned to HUD to be reprogrammed. The sale of the lots has been moved to the 20-21 program year. The Village Drive property is scheduled to be sold in 20-21 program year as well. The Sixth Street properties, and Village 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) remaining under this activity. For 2019-20, the Morningside was demolished and under contract to be sold to Habitat for Humanity. Habitat will be

constructing a new single-family home that will be sold to an eligible Habitat home buyer in 2020/21. The rehabilitation of Village property will not be completed until the 2020-21 program year.

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 install, which was the construction of an extension of Tripp Street through the middle of the site. For 2019-20, Phase II of the development began with the installation of a public sidewalk along the south side of the new Tripp Street extension, along the hiring of a Engineering firm to begin the platting of the subdivision, which includes the layout of lots for homes. Additionally, the bid letting to install the public utilities and street installation was completed and the work will begin in the 2020-21 program year.

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 2019-20 program year. Without the completion of the Public Infrastructure Improvements the Homebuyer Assistance Program cannot be implemented. Implementation of a Housing Improvements Program may be considered in the planning of the 2019-2023 Five-year Consolidated Plan and the 2020-2021 Annual Action Plan.

The Acquisition/Reuse Program for the Public Facility Installation of a Shared Used Bike Path in our NRSA was added to the 2019-20 program year. This activity was a joint collaboration between the Parks and Recreation, Public Works Departments and the Housing Division to enhance the recreational features of the neighborhood that is located in the City’s only Neighborhood Revitalization Strategy Area (NRSA) by connecting a share used bike path from an existing park to the newly developing housing subdivision. The Parks Department is upgrading the park with new features and play equipment, the Public Works Department identified this route in their 2040 Long Range Transportation Plan to connect the west side of the area to the east side. The Housing Division utilizing its CDBG funding would implement the following activities that is the key to connecting the park to the housing subdivision: 1) acquisition of an existing single-family that is located in the middle of the identified bike path route; 2) relocation of the tenants residing in the property; 3) demolition of the property; and 4) Installation of a new bike path. In the 2019-20 program the property was successfully acquired. In 2020-21, the remaining activities will be started/completed.

The CDBG CARES (COVID-19) Program for Rent, Mortgage and Utility Relief Assistance was also added to the 2019-20 program year. The United States has been impacted by a global pandemic of the Coronavirus that has crippled our economy. In response to this crisis, CDBG funding was made available to be used to prevent, prepare for, and respond to this pandemic. Under this special

allocation of funding the following programs were created to provide assistance to low and moderate-income households: Rent Relief, Mortgage Relief and Utility Relief for both renters and homeowners. A number of programs and activities had to be shifted in order to prepare for the implementation of these needed programs. However, the CDBG CARES programs were not able to be implemented in the 2019-20 program year but will be implemented in the 2020-21 program year.

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 continued to receive HOME funding for the 2019-20 program year. No other than administrative expenses no program was implemented in 2019-20. The City intends to use the HOME funding to build affordable homes on the 321 State Avenue site that is in our NRSA, in which we anticipate housing construction may occur in the program year of 2021-22.

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.

The implementation of activities during the 2019-20 program year, was interrupted due to address the impact of the pandemic on communities across the country. Some of the original projects slated to be implemented such as Homebuyer Assistance Program was not able to be implemented. Additional staff had to be hired to help design the programs for the CDBG CARES funding. CDBG CARES rules and regulations were delayed and along with having to request a 2nd amendment to the 2019-20 Action Plan this greatly impacted and delayed program implementation. The 1st Amendment to the 2019-20 Action Plan, approximately \$400,000 (16% of the total program budget without administration) of the Acquisition/Reuse for Affordable Housing was shifted to a new activity called the Acquisition/Reuse for Public Infrastructure for a Shared Use Bike Path Installation in our NRSA, this was a three phase activity, in which only phase was able to be implemented in 19-20. However, the contract bid for the demolition of a property to be sold to Habitat for Humanity was able to start, along with partial completion of the rehabilitation of a property (Village) that was purchased in a previous year that will be sold in the near future to a LMI household. Also, we were able to install a public sidewalk along the new Tripp Street addition (2018-19) as part of the development of the mixed-income housing subdivision in the NRSA. But, most importantly, the hiring of an Engineering firm to help design and create the plat of survey and prepare the plans and specifications for the bidding for the Public Infrastructure Improvements for the future housing subdivision was completed. This project had the 2nd highest budget of approximately \$760,000 (31% of the total program budget without administration). The new home construction activity using our HOME funds was not implement due to the subdivision improvements are not completed. This project budget was approximately \$923,000 (39% of the total program budget without administration).