

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON ACCEPTANCE & SUBMITTAL OF 2020-21 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) IN CONNECTION WITH 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). This report must 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 before November 30, 2021.

The 2020-21 CAPER reports accomplishments in relation to goals and objectives identified in the City's 2019-2023 Consolidated Plan and in the Annual Action Plan for fiscal year July 1, 2020, through June 30, 2021. The regulations require that the CAPER be available for a 15-day public review and comment period, which occurred November 2 through November 17, 2021.

Attached for Council review are key pages from the 2020-21 CAPER. **A full copy of the CAPER and attachments are available for review on the City's web site at: www.cityofames.org/housing/CAPER.**

For the 2020-21 program year, approximately \$945,329 of CDBG funds were spent. The total amount of funding was a combination of entitlement funds and program income. Approximately \$42,608 of the total was generated program income. Of the \$945,329, approximately \$121,462 was administrative expenses. Approximately \$823,867 was expensed on the 2020-21 program activities, of which \$794,568 was to address Low and Moderate Income Housing (LMI) housing.

For the HOME funds, approximately \$22,987 was spent on program administration. This was the only expense for the HOME program. For the CARES (COVID-19) funds, approximately \$475,713 was spent. Of the \$475,713, approximately \$32,489 was spent for program administration approximately \$396,816 was used for Rent & Utility Relief and \$46,408 was spent on Mortgage & Utility Relief.

In addition to the CARES programs, the major activity implemented in FY 2020-21 was the public infrastructure improvements at Baker Subdivision. Because this activity occurred in the City's Neighborhood Revitalization Strategy Area (NRSA), approximately 2,310 people/households were benefitted.

ALTERNATIVES:

1. Approve the submittal of the City's 2020-21 Consolidated Annual Performance and Evaluation Report (CAPER).
2. Do not approve the submittal of the City's 2020-21 Consolidated Annual Performance and Evaluation Report (CAPER).

CITY MANAGER'S RECOMMENDED ACTION:

The CAPER outlines the City's accomplishments in the CDBG programs in the past year. The report is required to be submitted to HUD prior to November 30, 2021.

It is therefore the recommendation of the City Manager that the City Council adopt Alternative #1, as described above.



PROPOSED DRAFT

CITY OF AMES

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

**CITY OF AMES FISCAL YEAR
JULY 1, 2020 THROUGH JUNE 30, 2021**



**Public Comment Period:
November 2, 2021 thru November 17, 2021**



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 2020-21 and 2019-20 rollover activities for the CDBG Programs: Acquisition/Reuse for Affordable Housing, Disposition of 6th Properties, Acquisition/Rehab of Properties, the Installation of Public Infrastructure Improvements Program for Baker Subdivision (321 State Avenue), along with a first Amendment to the Action Plan to include an Acquisition/Relocation/Demolition Program for an Installation of a Shared Use Bike Path in our NRSA. Lastly, second and third Amendments to the Action Plan were completed to include CDBG-CARES funding 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 HOME Programs: 1) Homeownership Construction Program; 2) Homebuyer Assistance Program, and 2) future funding for Low-Income Housing Tax Credits (LIHTC) units in the Baker Subdivision.

The **Acquisition/Reuse Program**. This activity 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 2020-21 program year.

The Disposition of Properties. This activity was designed to provide maintenance and costs for properties purchased in previous program years. For 2020-21 the activity included the on-going maintenance of three lots remaining along Sixth Street. For the Sixth Street properties, a Change In Use Designation was requested and approved. This disposition change allowed the three contiguous lots to be sold as one on the open market for re-development. The City of Ames will be purchasing those lots in the 21-22 program year for \$198,000. This revenue will to be returned to HUD to be reprogrammed to be used towards the Baker Subdivision and any other activity needs in the 2021-22 program year.

The Acquisition/Rehabilitation Activity. This activity was designed to rehabilitate properties purchased under the Acquisition/Reuse Program that needed repairs before being sold to eligible buyers or to a nonprofit housing developer. For 2020-21, there is one property that remains under this activity, which is the rehabilitation of the Village property. For 2020-21, driveway improvements were installed at the property. The property was scheduled to be sold in 20-21 program year; however, this activity has been rolled into the 2021-22 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 an 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. During the 2020-21 program year, an Engineering firm was hired and the final design and platting of the subdivision that included twenty-six single family lots and one multi-family lot was completed and approved. Also, during this program year, the plans, and specifications for the project improvements (sanitary sewer, water main, storm sewers, utility services; construction of Latimer Lane, alley/shared use path pavement, stormwater basin improvements, and sidewalk installation) were be prepared that will be bid and started in the 2021-22 program year. In addition, the City solicited and chose a partner developer to prepare a Low-Income Housing Tax Credit (LIHTC) application to the Iowa Finance Authority in the fall of 2020, and if awarded, 36 low-income affordable multi-family housing units on lot 27 in the Baker Subdivision would begin possible construction in the spring of 2021-22.

The Acquisition/Reuse Program for the Public Facility Installation of a Shared Used Bike Path in our NRSA. This activity was added to the 2019-20 program year and was rolled into the 2020-21 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 three tenants were successfully relocated from the property and the property was demolished. The CDBG funds for the installation of a new bike path from Franklin Park to the Baker Subdivision was removed and the activity will be 100% funded by the Public Works Department and anticipated to be installed in the spring of 2022.

The CDBG CARES (COVID-19) Program for Rent, Mortgage and Utility Relief Assistance. This activity was added to the 2019-20 program year and continued into the 2020-21 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. In 2020-21 program year the program has assisted the following individuals and households affected by the pandemic: For the Rent Relief Assistance 72 households were assisted; For Rent Relief Utilities Assistance 58 households were assisted; For the Mortgage Relief Assistance six (6) households were assisted; and For the Mortgage Utility Assistance five (5) households were assisted. The total for all four programs was 141 households assisted.

The Homeownership New Construction Program and the Homebuyer Assistance Programs. These two activities are being funded under our HOME Program. Due to implementing the installation of the public improvements (electricity, geothermal, water, sewer, streets, etc.) for the platted lots being under way, other than administrative expenses, the homeownership new construction program nor any homebuyer assistance was started in the 2020-21 program year. The City still intends to use the HOME funding to build affordable homes on in the Baker Subdivision, that is in our NRSA, in which we anticipate housing construction may occur in the program year of 2021-22. 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 2020-21 program year and that will continue for the 2021-22 program year. Also using a portion of its HOME Funds as match, an application for LIHTC funding for lot 27 in the Baker Subdivision was submitted in May 2021.

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.

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 some of activities versus actual outcomes during the 2020-21 program year, was due to the continued need to address the impact of the pandemic on our community. An additional receipt of \$356,455 of CARES funding was awarded to the city that required a 3rd Amendment to be completed to the 2019-20 Action Plan. This amendment was taking place in 2020-

21 program year. This also caused a delay in the submittal of the CAPER for 2019-20, which was submitted in 2020-21. These changes also caused the delay in the submittal of the 2020-21 Action Plan. This led to the delay of starting the Engineering and Public Infrastructure Bidding for the Baker Subdivision that was started but has delayed the New Home Construction and Homebuyer Assistance Programs. Also, the installation of the Shared Use Bike Path from Franklin Park to the Baker Subdivision was removed as an activity and the Acquisition/Reuse for Affordable Housing was removed for 2020-21.