

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING ON ACCEPTANCE & SUBMITTAL OF THE CITY'S 2021-22 CONSOLIDATED ANNUAL PERFORMANCE ANEVALUATION 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, staff requested and received an extension to submit the report on or by November 14, 2022.

The 2021-22 CAPER describes 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, 2021, through June 30, 2022. The regulations require that the CAPER be available for a 15-day public review and comment period, which occurred October 19, 2022, through November 3, 2022.

Attached for Council review and approval is a copy of the summary (Goals and Outcomes) of the 2021-22 CAPER report. For the 2021-22 program year, approximately \$423,536 (including administration) of CDBG funds were expended. Of the \$423,536 approximately \$122,743 was administrative expenses, \$241,759 was public improvements expenses, \$57,107 was slum and blight expenses and \$1,927 was spent on acquisition/rehabilitation. Approximately \$273,686 was spent to create affordable housing for LMI. Additionally, \$50,938 was generated program income received from the sale of properties and downpayment loan repayments.

The major activity implemented in 2021-22 was on the public infrastructure improvements at Baker Subdivision and because this activity occurred in our Neighborhood Revitalization Stragety Area (NRSA), the area benefit was approximately 2,310 people/households.

For the HOME funds, approximately \$27,502 was spent only on program administration. For the CARES (COVID-19) funds, approximately \$85,170 was expended. Of the \$85,170, approximately \$7,247 was expensed for program administration, \$67,848 was expensed on the Rent & Utility Relief program, and approximately \$10,075 was expensed on the Mortgage & Utility Relief 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. Adopt a resolution approving the submittal of the City's 2021-22 Consolidated Annual Performance and Evaluation Report (CAPER).
2. Do not adopt a resolution approving the submittal of the City's 2021-22 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, as described above. This action will adopt a resolution approving the submittal of the City's 2021-22 Consolidated Annual Performance and Evaluation Report (CAPER) which is to be submitted to HUD on or before November 14, 2022.



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

**CITY OF AMES
FISCAL YEAR JULY 1, 2021 -
JUNE 30, 2022**



Public Comment Period: October 19, 2022 - November 3, 2022



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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.

Throughout sections have character limits-- thereby full responses are in the attached hard copy of the CAPER.

With community input, the overall goals and outcomes of the City's 2019-23 Strategic Plan are to continue 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 2021-22 and 2020-21 rollover activities for the CDBG Programs: a) Acquisition/Reuse for Affordable Housing, b) Disposition of Properties Program, c) Acquisition/Reuse of Slum and Blighted Properties, d) continuation of the Installation of Public Infrastructure Improvements Program for Baker Subdivision (321 State Avenue), and e) the implementation of the CDBG-CARES funding. The latter, CDBG-CARES, allowed the City 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: a) Homeownership Construction Program; b) Homebuyer Assistance Program, and c) future funding for Low-Income Housing Tax Credits (LIHTC) units in the Baker Subdivision.

2021-22 CDBG Program Activities:

- **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 increasing the supply of affordable rental housing for low-income families, increasing the availability of affordable owner-occupied housing or maintaining the supply of affordable owner-occupied housing. Under this activity, the City **did not** acquire any properties during the 2021-22 program year.
- **The Disposition of Properties.** This activity was designed to provide maintenance and costs for properties purchased in previous program years. For 2021-22 the activity included the on-going maintenance of one property at 241 Village Drive. In April 2022 the property was being sold under contract to Habitat for Humanity of Central Iowa, who will complete the rehabilitation and sell the property to a qualified household in the 2022-23 program year.

- **The Acquisition/Reuse for Slum and Blighted Properties.** Under this activity, the following activities may occur: acquisition of slum and blighted properties and the acquisition of properties for public facilities use (shelters, recreational use, etc., or infrastructure improvements such as sidewalks, street improvements, shared use bike paths, etc.) Also, funds may be used to purchase vacant in-fill lots for redevelopment into non-affordable housing, or for public facilities use or public infrastructure. This activity may include demolition and clearance. The goal is to address the needs of non-LMI populations or other community needs such as needs of LMI persons. For the 2021-22 Program year one (1) property was purchased that had been tagged as a dangerous, abandoned, and unsafe. The property is anticipated to be demolished in program year 2022-23.

- **The Installation of Public Infrastructure Improvements in the Baker Subdivision.** This activity was a rollover from the 2020-21 program and included the following public infrastructure improvements (including all engineering and legal costs): water/sewer, streets, sidewalks, electrical, alley improvements, and a shared used bike path trail. The installation of these improvements create a mixed-use **housing development and have been completed.** The north side of the development and the street along Wilmoth has twenty-six (26) designated single-family homes, of which fourteen (14) (51%) will be affordable housing and twelve (12) (49%) will be market rate housing.

e) **The CDBG-CARES (COVID:19): Relief Assistance Programs.** Under this activity, the Rent & Utility Relief Assistance and Mortgage & Utility Relief Assistance were continued from the 2020-21 program year. For the program year 2021-22, twenty-six (26) households received rent and utility relief assistance and one (1) household received mortgage and utility relief assistance.

2021-22 HOME Program Activities:

- **The HOME New Single-family Construction Program.** Under this activity funds were set aside to solicit non-profit home builders and/or modular home manufactures into a partnership to begin building single-family homes once the public improvements were completed. However, due the economic impact from the pandemic, which has effected the supply chain for materials, construction costs and labor shortages, we were unable to connect with a housing developer for the modular homes during this program year. The City will continue to seek partnerships with various housing builders for the 2022-23 program year.
- **The HOME Low-Income Housing Tax Credit Program (LIHTC).** Under this activity the City sought and partnered with a Housing Developer to apply for the State's LIHTC program to thirty-seven (37) construct multi-family housing units along the south side of

the Baker Subdivision. Late Spring of the 2021-22 program year, the housing developer withdrew from the partnership. The City prepared a new Request for Proposal (RFP) to immediately seek a new partner developer that will be determined in the 2022-23 program year.

c) The HOME Down payment and Closing Cost Assistance Program. Under this activity funds were set aside to assist qualified first-time homebuyers with down payment and closing cost assistance to purchase the fourteen (14) single-family homes scheduled to be constructed in the Baker Subdivision. However, the 2021-22 funds for this activity were shifted to the LIHTC project to leverage getting multi-family housing units constructed.