



U.S. Department of Housing and Urban Development
Buffalo Office
465 Main Street
Buffalo, New York 14203-1780
(716) 551-5755

DEC 28 2016

Mr. Nels Bohn
Director of Community Development
City of Ithaca
108 East Green Street
Ithaca, New York 14850-5690

Dear Mr. Bohn:

SUBJECT: 2015 Annual Community Assessment (ACA)
Reporting Period August 1, 2015 to July 31, 2016
Community Development Block Grant (CDBG) Program
Home Investment Partnerships (HOME) Program

Enclosed please find HUD's Annual Community Assessment (ACA) reviewing the implementation and performance of the City of Ithaca's CDBG and HOME Programs. While continuing efforts are taken into consideration, this assessment primarily focuses on the 2015 program year, which covered the period August 1, 2015 to July 31, 2016.

We offer you thirty (30) days to respond with any comments, changes or updates. If no response is received, this report is final and will be considered the City's Program Year Review Letter as required by HUD regulation. In accordance with the Consolidated Plan regulations, the Program Year Review Letter should be made available to the public through your established citizen participation process. HUD will also make it available to citizens upon request.

If you have any questions about this report, would like to discuss the comments, or require further assistance in the administration of your community development programs, please contact Elizabeth A. McClam, CPD Representative, at 716-551-5755, extension 5410 or via email at elizabeth.a.mcclam@hud.gov.

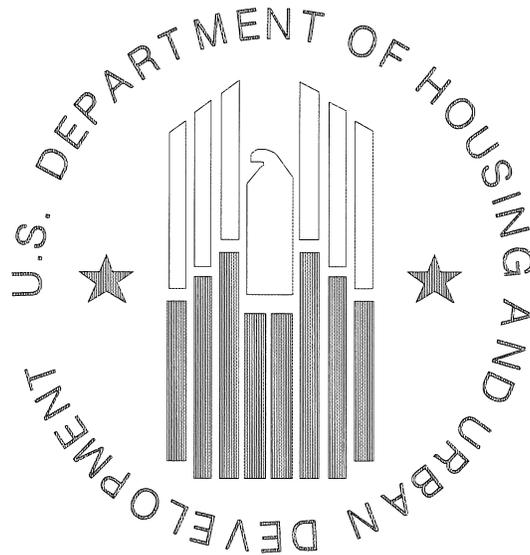
Sincerely,

A handwritten signature in black ink, appearing to read "William T. O'Connell".

William T. O'Connell
Director
Community Planning and
Development Division

Enclosure

**U.S Department of Housing & Urban Development
Buffalo, New York Office**



Annual Community Assessment Report

For

City of Ithaca, New York

**Program Year of
August 1, 2015 – July 31, 2016**

INTRODUCTION

The City of Ithaca, as a recipient of HUD Community Development Block Grant (CDBG) and Home Investment partnership (HOME) funding, is required to annually review and report on its progress in carrying out the goals and priorities of its Consolidated Plan. The Consolidated Annual Performance and Evaluation Report (CAPER) is designed to be a tool to report the activities undertaken during the previous year to both HUD and local community stakeholders and residents. Prior to submission to HUD, a grantee must make its CAPER available for review by interested citizens and stakeholders.

HUD has a responsibility to review the CAPER and the community's performance on an annual basis. HUD relies on the CAPER, financial data and audits, program records, on site monitoring and other resources to evaluate a grantee's overall performance and effectiveness. This review is an on-going process; however, this report summarizes a community's performance and its continuing capacity to administer HUD funds. This report is prepared to provide feedback on your community's performance in the delivery of programs and services using HUD Community Development funds. This report consists of four sections:

- Section I provides a general overview regarding compliance and reporting accuracy
- Section II evaluates grantee performance in key crosscutting functions
- Section III evaluates the progress and performance of each specific HUD program
- Section IV provides recommendations and/or areas for improvement

Programs Administered and 2015 Funding Amounts:

CDBG	\$661,371.00
HOME	\$207,846.00

Assessment Period:

August 1, 2015 – July 31, 2016

2nd Year of a 5-Year Consolidated Plan

Section I - Summary of Consistency with ConPlan & Annual Action Plans

HUD's review of the CAPER determined that the City of Ithaca followed the HUD-approved Consolidated Plan and Annual Action Plan during the 2015 program year (PY). The activities undertaken during the year are consistent with the City's 2014 - 2018 Consolidated Plan goals, objectives and priority needs. The actual 2015 Program Year expenditures recorded in IDIS reflect that the City did expend HUD funds within the requirements of HUD funding regulations.

Performance Reports / CAPER Completeness

A Consolidated Annual Performance and Evaluation Report (CAPER) is due 90 days after the City completes its program year, which would be October 30, 2016. Ithaca's 2015 CAPER was received on November 1, 2016. The report was determined to be substantially complete. This report included an adequate description of the Ithaca's progress and performance throughout the program year. More detailed information and an assessment of accomplishments can be found in Section III of this report. Comments, Notes and any requests for supplemental information will also be noted below.

Section II - General Overview and Cross Cutting Areas

FHEO

Ithaca's 2015 CAPER was evaluated by HUD's FHEO Division. This evaluation was completed on November 29, 2016 and the determination was made that the City of Ithaca's performance was adequate. The FHEO Division noted that Ithaca conducted their most recent Analysis of Impediments to Fair Housing in 2015. Ithaca adopted a Fair Housing Plan which included the development of a fair housing informational brochures which was distributed to landlords and agents. In preparation to implement the newly mandated Affirmatively Furthering Fair Housing (AFFH) process, Ithaca has begun educating all their sub recipients of the city's AFFH goals and objectives.

Citizen Participation

The grantee has conducted the required hearings and public notification to comply with citizen participation requirements. No comments were received during the reporting period. The City of Ithaca made its CAPER available to the public for review and comments for a period of at least 15 days in the local paper. A hard copy is always available at the offices of the Ithaca Urban Renewal Agency (IURA) in City Hall and an electronic copy is posted on the IURA website.

Sub Recipient Oversight & Compliance Monitoring

The HUD field office conducted an on-site monitoring of the CDBG program in 2014, and no findings or concerns were identified. The City of Ithaca's sub recipients are monitored by Ithaca Urban Renewal Agency (IURA). The performance of sub recipients is monitored through site visits and reviews of periodic reports and financial statements. Monitoring for compliance with HUD regulations is ongoing. IURA staff offers technical assistance to sub recipients, as needed to improve program performance and/or compliance. The CAPER indicates that sub recipients are on track and meeting goals and standards.

Management

The City of Ithaca's entitlement grants are managed by Ithaca Urban Renewal Agency (IURA). The staff is very experienced and has demonstrated the capacity to administer and oversee both HUD-funded programs.

Financial

The financial information reported by the City of Ithaca appears to be complete, accurate, and sufficiently detailed to document the overall condition of HUD programs. A Single Audit must be submitted each year, 9 months from the end of Ithaca's fiscal year. The City of Ithaca continues to struggle with timely submissions, often submitting financial audit reports well beyond its due dates. Currently, Ithaca's single audit report is overdue, rendering the City out of compliance with Single Audit requirements. The Buffalo Field Office has sent written reminders for this financial report every year. The CPD Representative will work with the City to ensure more timely submissions.

Section III – Specific Program Progress and Performance

Community Development Block Grant (CDBG)

National Objective Compliance: The CDBG program was designed to principally benefit low-moderate income persons. During the reporting period, it was determined that the City spent 100% of their funds on activities that principally benefitted low-moderate income persons.

Activities

Program activities were adequately described during the reporting period. CDBG funds were spent on activities that were eligible under CDBG regulations. Ithaca has reported on the 2nd year of a 5-year strategic plan. The CAPER and IDIS indicate that good progress has been made towards meeting stated numeric goals for specific activities. The following highlighted activities and accomplishments were completed during the program year:

Economic Development: The City spent \$295,000.00 and assisted four new business during the reporting period.

Public Services: The City spent \$185,414.97 and assisted the 2-1-1 Call Center, Immigrant Services Program, Next Step Jobs Training Program, and the Work Preserve Job Training Program.

Housing Repairs: The City spent \$22,923.50 for small repairs and safety accessibility improvements for low-income persons.

Homeless Services:

The City of Ithaca provided funding to Tomkins Community Action for a Housing First rental assistance program specifically created for the chronic homeless population. Over the past two years, seven homeless individuals have been placed in permanent housing.

The City of Ithaca provided funding to Catholic Charities of Tompkins/Tioga to administer a Security Deposit Assistance Program. During FY2015, 116 households were assisted using CDBG funds.

CDBG funds were used to create a life skills training program targeting the homeless youth population called the Learning Web for their Housing Scholarships Program. This has been a highly successful program which has successfully housed 12 homeless youth during PY2015.

The City utilized CDBG funds to fund its immigration services and 2-1-1 information and referral services. During PY2015, 1246 immigrants utilized the immigration services and 124 individuals were assisted by the 2-1-1 referral services.

Fair Housing and Equal Opportunity: Our review did not reveal any significant issues related to compliance.

HUD Monitoring: The Buffalo Field Office conducted an on-site monitoring review of the City's CDBG program during the 2014 program year. There were no findings as a result of this review. However, a separate monitoring by HUD's Regional Environmental Officer during the same program year resulted in four findings.

Financial

Planning and Administration: The CDBG program rules allow the City to obligate up to 20% of their grant funds plus program income on eligible planning and administrative costs. According to the IDIS PR26 CDBG Financial Summary Report submitted with the CAPER, this amount was 15.13%.

Public Service: The CDBG program rules allow the City to obligate up to 15% of their grant funds plus program income on eligible public services related activities. According to the IDIS PR26 Financial Summary Report submitted with the CAPER, this amount was 8.3%.

Program Progress and Timeliness: The CDBG program requires that the City's unexpended CDBG funds be no more than 1.5 times their annual grant 60-days before the end of the program year. The City maintained compliance with this test and continues to expend expeditiously.

IDIS Data: The City is required to use the Integrated Disbursement and Information System (IDIS) to report on program activities and accomplishments. A review was made in order to determine the level of detail and accuracy of this data.

Section III – Specific Program Progress and Performance (cont.)

Home Investment Partnerships (HOME) Program

Beneficiary Compliance: The HOME program was designed to principally benefit low-moderate income persons. During the PY2015 reporting period, it was determined that the City spent 100% of their funds on activities that principally benefitted low to moderate program progress was determined to be satisfactory.

Activities

Program activities were adequately described for the reporting period. HOME funds were spent on activities that were eligible under program rules. The funded programs and accomplishments reported are on track, compared to the stated goals.

Housing Rehabilitation: The City spent \$16,719.35 during the reporting period and completed four homeowner rehabilitation projects.

Rental Housing: The City spent \$3,000.00 on rental units and \$45,157.85 for TBRA during the reporting period.

Commitments/Reservations/Disbursements: The HOME program requires that funds be committed or reserved to a CHDO within two years, and disbursed within five years. It was determined that the City is committing funds, making CHDO reservations, and making disbursements for activities within the required timeframes, including commitments and disbursements for administration. Program progress was determined to be satisfactory.

Fair Housing and Equal Opportunity: Our review did not reveal any significant issues related to compliance. Performance was satisfactory.

HUD Monitoring: The Buffalo Field Office conducted an on-site monitoring review of the City's HOME program during the 2009 program year. There were no findings as a result of this review.

Financial

The financial information provided by the City appears to be complete, accurate, and with a sufficient level of detail to document the overall financial condition of the HOME program. During the reporting period, the City correctly receipted program income in IDIS. However, the audit report for 2015 is currently delinquent.

Management

The City has experienced staff that are capable of administering and overseeing their HOME program activities. There were no key staff vacancies or new hires during the reporting period. The City reports that they regularly monitor and evaluate CHDOs and sub recipients administering activities with HOME funds.

Section IV – Summary and Recommendations

The City of Ithaca's current CDBG and HOME performance have been satisfactory. Some projects are ahead of schedule. There are few recommendations:

- It is a requirement that the submission of Single Audits must occur within nine months of the end of Ithaca's Fiscal Year. This Single Audit Report is currently overdue and the City has failed to comply with Single Audit Act requirements. Please submit as soon as possible. If assistance or further information is needed, please contact your CPD Representative.
- Please ensure that program income recorded in the Federal Cash Transactions Reports is received into IDIS in a timely manner.
- Please continue to monitor IDIS reports at least quarterly, to ensure that activities that are completed, but not yet closed and activities that have been listed as in final draw status for more than 120 days, are reviewed and appropriate action is taken.

This report was prepared by: Elizabeth McClam, CPD Representative
716-551-5755 ext. 5410
Elizabeth.A.McClam@hud.gov

HUD is providing you the opportunity to review this assessment and comment. Based on the information available at the time of this review, HUD has determined that at this time, the City of Ithaca has the continuing capacity to carry out HUD programs identified in this report.

If you have any questions or would like to discuss the Assessment Report, please contact, Elizabeth McClam CPD Representative. Ms. McClam can be reached at 716-551-5755 extension 5410. If you disagree with this assessment, please respond, in writing to HUD – Director of the Office of Community Planning & Development, 465 Main Street, Buffalo, NY 14203. Your response should identify any areas of disagreement and corrections or any additional comments you would like HUD to consider.

If no response is received, this report is final and should be considered your community's Program Year Letter as required by HUD regulation. Consistent with the Consolidated Plan regulations, this assessment should be made available to the public. This can be accomplished by making it available through your established citizen participation process. HUD will also make it available to citizens upon request.