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

Dear Mr. Bohn:

SUBJECT: 2016 Annual Community Assessment (ACA)  
Reporting Period August 1, 2016 to July 31, 2017  
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 2016 program year, which covered the period August 1, 2016 to July 31, 2017.

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,

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

Enclosure
Annual Community Assessment Report

For

City of Ithaca, New York

Ithaca Urban Renewal Agency

JAN 05 2018

RECEIVED

Program Year of
August 1, 2016 – July 31, 2017
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 2016 Funding Amounts:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG</td>
<td>$661,371.00</td>
</tr>
<tr>
<td>HOME</td>
<td>$329,841.00</td>
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</tbody>
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Assessment Period: August 1, 2016 – July 31, 2017
3rd 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 2016 program year (PY). The activities undertaken during the year are consistent with the Town’s 2014 - 2018 Consolidated Plan goals, objectives and priority needs. The actual 2016 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 31, 2017. Ithaca’s 2016 CAPER was received on October 30, 2017. 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 - Cross Cutting Areas and General Overview

FHEO
Ithaca’s 2016 CAPER was evaluated by HUD’s FHEO Division on November 16, 2017 and the determination was made that the City of Ithaca’s performance was adequate. The FHEO Division noted that Ithaca conducted its most recent Analysis of Impediments (AI) to Fair Housing in 2015. Ithaca also adopted a Fair Housing Action Plan on October 8, 2015 and has continued to implement this plan as stated. This Plan included:

- The distribution of fair housing brochures to landlords and real estate agents
- Addressing ongoing concerns with landlords regarding the refusal of Housing Choice Vouchers
- Informing all sub-recipients of the newly expanded AFFH goals and priorities

The City of Ithaca did successfully submit its AFH to HUD on November 4, 2017 and this plan was deemed “acceptable” on December 13, 2017. The upcoming Consolidation Plan must incorporate the goals and strategies identified in the AFH.

Management
The City of Ithaca’s entitlement grants are managed by Ithaca Urban Renewal Agency (IURA). This experienced staff continues to demonstrate the capacity to administer and oversee both CDBG and HOME 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. Ithaca’s single audit was submitted to FAC on 9/29/2017 keeping the City in compliance with Single Audit requirements.

Citizen Participation
The City of Ithaca has conducted the required hearings and public notifications to comply with citizen participation requirements. On October 6, 2017, the City of Ithaca published its CAPER in the local newspaper, The Ithaca Journal. A comment and review period of 15 days ran from October 12 – 27, 2017. No comments were received. The City always maintains a hard copy 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 City of Ithaca’s sub recipients are monitored by Ithaca Urban Renewal Agency (IURA) through Quarterly Reports, Annual Reports, Final Reports, Program Income Reports, and financial statements, as well as ongoing communication, informal contacts, and site visits. The frequency of monitoring activity depends on the complexity of a given project and/or a sub-recipient’s
performance history or organizational capacity. Each project is assigned a risk level, with riskier projects receiving technical assistance, site visits, and greater monitoring attention. Ongoing monitoring for HUD compliance is conducted annually through desk monitoring, review of submitted documents, telephonic follow-ups, and documentation of expenses submitted with each voucher request for payment of project expenses. The City’s loan portfolio is also reviewed annually, with loan payments monitored monthly. This CAPER indicates that sub recipients are on track and meeting goals and standards.

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 96.36% of their funds on activities that principally benefitted low-moderate income persons.

Program Activities: These activities were adequately described in this CAPER for PY 2016. CDBG funds were spent on activities eligible under CDBG regulations. Ithaca has reported on the 3rd 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. Some of the completed activities have been highlighted below:

- **Housing rehabilitation & mini-repair assistance to LMI homeowners** (50 units in PY 2016)
- **3 Tenant-Based Rental Assistance (TBRA) programs** (57 households assisted in PY 2016)
- **3 job-training/skill-building & job-placement programs** (12 jobs created or retained and 20 beneficiaries were assisted with job training readiness in PY 2016)
- **Programs to help meet the basic needs of low-income households** (894 persons in PY 2016)
- **New business - Liquid State Brewing Company** expected to create at least 2.5 FTE positions
- **Alex Haley Municipal Pool Renovation Project** (expected to completion July 2018)

The City of Ithaca places great priority on Homeless Prevention and non-housing Services. CDBG Grant funds were utilized for the following programs:

- **A Place To Stay Case Management Program**
- **Housing for School Success Program**
- **Tenant-Based Rental Assistance**
- **Security Deposit Assistance Program**
- **The Learning Web Scholarship Program**
- **The Garage Renovation Project**
- **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 of the CDBG program in PY 2014.

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 15.59%.

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 11.31%.

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 was warned in March 2017 that it might be out of compliance with this test. On June 14, 2017, Ithaca was formally notified that it failed the timeliness test and has 12 months to reach the 1.5 timeliness standard. The Community Development Representative is working closely with the IURA staff to assure compliance within 12 months or provide TA with the required written Workout Plan to avoid sanctions for grant reductions. A review of the IDIS PR09 Report confirms regular voucher draws and receipts have been on-going from the RL fund.

IDIS Data: The City is required to use the Integrated Disbursement and Information System (IDIS) to report on program activities and accomplishments. A review of the IDIS reporting system confirms accuracy of this data.

Home Investment Partnerships (HOME) Program
Beneficiary Compliance: The HOME program was designed to principally benefit low-moderate income persons. During the PY2016 reporting period, it was determined that the City spent 100% of their funds on activities that principally benefitted low- to moderate-income persons.

Program Activities: The activities were adequately described for this CAPER. 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. Some of the funded activities include the following programs:

- Security Deposit Assistance Program
- Construction of new affordable housing (7 owner-occupied single-family homes)
- Community Housing Development Fund Awards ($100,000 in PY 2016)

All HOME-assisted units were inspected in PY 2016 based on the schedule 96.504(d). Any issues identified during these inspections have all been corrected.
Commitments/Reservations/Disbursements: A review of this CAPER and IDIS data confirms that Ithaca 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 PY 2009.

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 a few recommendations:

- The required AFH has been accepted by HUD. Please assure that all goals identified in the AFH be integrated into the upcoming Consolidated Plan.

- Please ensure that program income recorded in the Federal Cash Transactions Reports is receipted 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.