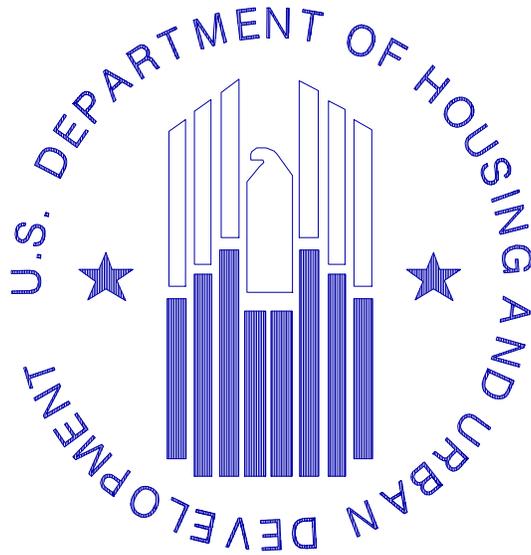


**U.S. Department of Housing & Urban Development
Buffalo, New York Office**



Annual Community Assessment (ACA) Report

for

City of Elmira, New York

CDBG and HOME programs

**Covering the Program Year of
July 1, 2021 – June 30, 2022**

7. First-time homebuyer direct assistance, counseling.
8. Increased access to community resources.
9. Housing counseling services.
10. Façade and commercial building renovations.

The actual 2021 Program Year expenditures recorded in IDIS reflect that the City did expend HUD funds in many of these broad categories and 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 September 28, 2022. The City's 2021 CAPER was received on September 30, 2022. The report was determined to be substantially complete, including providing an adequate description of the City'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 - The City's 2021 CAPER was evaluated by HUD's FHEO Division. The evaluation was completed and FHEO determined there are areas in need of attention. Recommendations will be passed along to the grantee and should be addressed with the FHEO division directly.

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.

Compliance Monitoring – The CDBG and CDBG-CV programs were monitored during the program year. The most recent HUD monitoring is described below:

Programs Reviewed: CDBG & CDBG-CV
Date of Monitoring: September 7, 2021 – September 22, 2021
Monitoring Status: Two findings and four concerns were cited. One finding has not yet been fully closed.

Subrecipient Oversight & Monitoring – In PY 2021 the City of Elmira funded public service activities administered by the following subrecipients: Catholic Charities of Chemung/Schuylers (pre- and post-purchase counseling and Second Place East Emergency Shelter), Ernie Davis Community Center, Southside Community Center, the ARC of Chemung-Schuylers, Meals on Wheels of Chemung County, Inc., Court Appointed Special Advocates (CASA) of the Southern Tier, Inc., and Salvation Army (Pathways of Hope/SAFE House). The City monitors its subrecipients routinely, including an evaluation of performance.

Management – The City has staff capable of administering and overseeing the HUD-funded programs. A new Finance Director has recently been hired and requests technical assistance when needed.

Financial – The financial information reported by the City appears to be complete, accurate, and sufficiently detailed to document the overall condition of HUD programs. Our review did not disclose any issues related to financial compliance, with the exception of the CDBG 20% origin year planning/administrative cap coverage detailed below.

Audits - A Single Audit must be submitted each year within nine months from the end of the City's fiscal year. The City's period ending December 31, 2021 Single Audit (due September 30, 2022) was received on 6/21/2022.

Quarterly Federal Financial Reports & Cash on Hand Reports (PR-29) - Reports have been received for the assessment period and are current.

Section III – Specific Program Progress and Performance **Community Development Block Grant (CDBG)**

National Objective Compliance: The CDBG program was designed to principally benefit low- and moderate-income persons. According to the City's PR26, during Program Year 2021 the City spent 100.00 percent of its non-administrative funds on activities that principally benefitted low- and moderate-income persons. Activities reported appear to meet a national objective.

Activities: Program activities were adequately described during the reporting period. CDBG funds were spent on activities that were eligible under program rules. These included economic development, housing, public facilities and improvements, and public services.

The City of Elmira has reported on the second year of a five-year strategic plan. The CAPER and IDIS indicate that the City has made good progress in meeting the stated numeric goals for specific activities.

Financial:

Planning and Administration: During Program Year (PY) 2021, the City obligated 8.01 percent of its overall spending on planning and administration. This is within the 20 percent limit.

Program Income: The City receipted \$100,332.23 in CDBG program income in PY 2021. There were draws against receipts of \$100,332.23 for PY 2021, leaving a fund balance of \$0.00 for PY 2021. In accordance with 24 CFR 570.504(b) recipients/grantees must expend program income on eligible activities before drawing funds from the line of credit.

Expenditure Timeliness: The CDBG program requires that the City's unexpended CDBG funds be no more than 1.5 times its annual grant 60 days before the end of the program year. The City was in compliance with the 1.5 timeliness test made on May 2, 2022. As of October 17, 2022, the balance of CDBG funds on Elmira's line of credit was \$2,540,836.96, which is 2.10 times the 2022 CDBG grant award of \$1,209,503. Based on

historical performance we do not anticipate that the City will have any problem meeting its May 1, 2023 timeliness test; however, spending progress will be monitored.

IDIS Data: A review of the IDIS Report PR 02, List of Activities by Program Year and Project indicates that the City of Elmira maintains data in IDIS in a timely and accurate manner. The City should continue to monitor its IDIS records regarding the status of activities at least quarterly.

Public Services: During Program Year (PY) 2021, the City expended 11.64 percent of its overall spending on public services. This is within the 15 percent limit.

Other Issues / Recommendations / Highlights

CDBG highlights noted during the CAPER reviews include:

- Completed rehabilitation of 19 owner-occupied units
- Provided funding to several organizations with the goal of providing enrichment opportunities and advocacy to youth (particularly at-risk youth) and families which are located in low to moderate income neighborhoods. Southside Community Center and Ernie Davis Community Center provide considerable services to the neighborhoods they serve
- Provided housing counseling to 110 households
- Provided 29 homeowners with one-on-one mortgage foreclosure prevention and loss mitigation counseling
- Assisted 609 individuals with overnight shelter and prevented homelessness for 1,140 individuals through case management and access to services at Catholic Charities' Second Place East Emergency Shelter and Prevention Program

CARES Act (CDBG-CV) Funds

National Objective Compliance: The CDBG-CV program was designed to principally benefit low- and moderate-income persons and activities are required to be directly in response to preparing for, preventing and responding to COVID-19. According to the City's CDBG-CV PR26, the City has spent 56.34 percent of its non-administrative funds on activities that principally benefitted low- and moderate-income persons. Although the overall low/mod benefit primary objective of the CDBG-CV Program must meet the minimum 70% threshold, this cannot be ultimately determined until all the funds are expended and will continue to be monitored as expenditures occur. Activities reported appear to meet a national objective and appear to be eligible.

Activities: In response to the COVID-19 pandemic, the City of Elmira has committed CDBG-CV funds to Emergency Mortgage and Rental Assistance, Economic Development (Small Business Fund), Public Services such as virtual learning, and Food Assistance. During PY2021, the City expended the following in CDBG-CV funds:

\$191,703.43 in CDBG-CV funds

- \$112,722.15 for public services including food assistance
- \$27,811.37 for economic development (small business fund)
- \$31,789.16 for emergency mortgage and rental assistance
- \$19,380.75 for administrative expenses

Financial:

Administration: As of October 4, 2022, the City has expended \$37,542.18 of CDBG-CV funding on administration, amounting to 3.78 percent of the allocation. Administration costs were within the 20 percent cap.

Home Investment Partnerships Program (HOME) Grant

Beneficiary Compliance: Beneficiaries were compliant with HOME low-mod income requirements.

Activities: Program activities were 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. Key programs included: owner-occupied housing rehabilitation program and first-time homebuyer program.

Financial:

Administration: \$30,896.90 of the City's \$308,969 PY21 HOME allocation was committed to HOME administration; \$29,896.00 was disbursed. Administration costs were within the 10 percent cap.

Program Income (PI): The City receipted \$6,307.27 in HOME program income in PY 2021. There were draws against receipts of \$0.00 during the Program Year, leaving a fund balance for PY 2021 of \$6,307.27. There was a total fund balance, which includes prior year program income, of \$22,451.65. In accordance with 24 CFR 92.503(d), participating jurisdictions must commit these funds for eligible activities before HOME funds in the HOME Investment Trust Fund Treasury account are drawn.

Deadlines for Commitments/Reservations/Disbursements: The City's 2021 disbursement deadline is September 30, 2029.

IDIS Data: Please continue to monitor your HOME activities at least quarterly and visit HUD's HOME website periodically for updates on needed clean-up and overall performance data.

Match: The City of Elmira received a 100 percent match reduction in PY 2021, based on fiscal distress.

CHDO Issues: The HOME program requires that grantees reserve a minimum of 15 percent of their annual award to one or more Community Housing Development Organizations (CHDOs), for the development of affordable housing. During PY 2021, the required amount for CHDO reserve was \$46,345.35 and there was a balance to reserve of \$46,345.35.

Other Issues/Recommendations/Highlights

HOME highlights noted during the CAPER reviews include:

- Assisted four households to become first-time homebuyers
- Completed rehabilitation of one owner-occupied unit

Other Issues/Recommendations/Highlights: None

Home Investment Partnerships Program (HOME) - ARP Grant

The City's allocation was announced at \$1,118,725 in HOME American Rescue Plan Program funds, of which \$55,936.25 HUD has obligated for use of eligible planning and administration costs prior to approval of the allocation plan. The balance will be available upon receipt and authorization of the PY 2021 amendment. To date, no funds have been expended. A community needs assessment is in process to analyze current and projected demographics and household characteristics and forecast future housing needs throughout the community for all levels of income. The data gathered will be used to develop an allocation plan in conjunction with the local Continuum of Care to submit to HUD for approval.

Section IV – Summary and Follow up

Follow Up Items

1. The City is reminded that a HOME-ARP allocation plan must be submitted for review and approval before funds can be expended. If assistance is needed with the completion of the plan, please contact your CPD Representative.
2. Although the overall low/mod benefit primary objective of the CDBG-CV Program must meet the minimum 70% threshold, this cannot be ultimately determined until all the funds are expended. The low/mod overall spending requirement for CDBG-CV was 56.34% as of 10/4/2021. Please ensure that activities and expenditures are monitored to ensure that this minimum percentage is met.
3. A review of IDIS reports PR01 HUD Grants and Program Income and PR09 Program Income Detail Report by Fiscal Year and Program for the period July 1, 2021 through June 30, 2022 revealed a program income balance for the HOME program in PY 2021. In accordance with 24 CFR 92.503(d) recipients/grantees should disburse program income before drawing funds from the line of credit. Please ensure this is completed going forward.
4. A review of IDIS report PR26 Activity Summary by Selected Grant indicates that the 20% origin year planning/administrative expenditure cap has been exceeded for program year 2020 at 23.64%. The City should verify whether any program delivery expenses were misclassified to Admin in PY 2020. If not, \$45,047.86 must be repaid for the PY.
5. 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.
6. The City is encouraged to seek alternative methods to increase public participation in the citizen participation process. Please include these results in the upcoming Annual Action Plan and CAPER.

