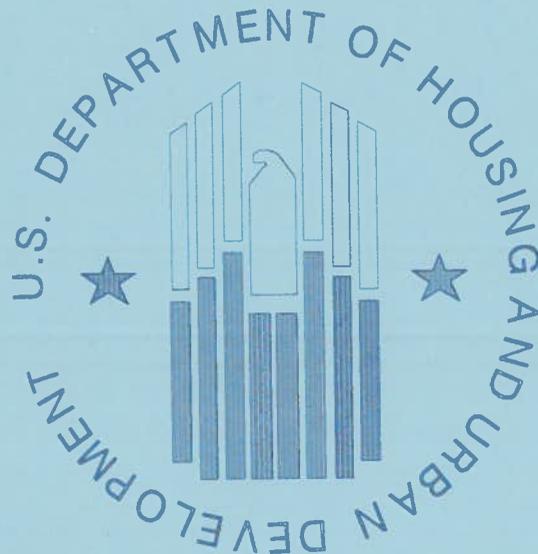


**U.S Department of Housing & Urban Development
Buffalo, New York Office**



Annual Community Assessment Report

for

City of Elmira, New York

**Covering the Program Year of
July 1, 2015 – June 30, 2016**

9. Housing counseling services.
10. Façade and commercial building renovations.

The actual 2015 Program Year expenditures recorded in IDIS reflect that the City did expend HUD funds in 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 29th. The City's 2015 CAPER was received on September 24, 2016. 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 - HUD's FHEO Division evaluated the City's 2015 CAPER and determined that the City's performance was adequate under Title VIII and E.O. 11063 Certifications. They determined that the City must identify activities it will conduct to address the Section 3 regulatory requirements. For additional information on this issue, please contact Tammy Muffoletto, Equal Opportunity Specialist at 716-551-5755, extension 5524 or at Tammy.M.Muffoletto@hud.gov.

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 - No HUD programs were monitored during the most recent two program years. The most recent HUD monitoring is described below:

Program Reviewed: CDBG and HOME
Date of Monitoring: July 24, 2012 - July 27, 2012
Monitoring Status: No findings and one concern

Subrecipient Oversight & Monitoring - In PY2015 the City of Elmira funded public service activities administered by the following subrecipients: Catholic Charities of Chemung/Schuylar (pre- and post-purchase counseling and Second Place East Emergency Shelter), Court Appointed Special Advocates (CASA), Ernie Davis Community Center, Frontline Community Services, Habitat for Humanity, and Southside Community Center. The City monitors its subrecipients, including an evaluation of performance.

Management - The City has staff and consultants that are capable of administering and overseeing the HUD-funded programs.

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.

Audits - A Single Audit must be submitted each year 9 months from the end of the City’s fiscal year. Both the Federal Audit Clearinghouse (FAC) and HUD have received and reviewed Elmira’s PE 12/31/2015 Single Audit.

Quarterly Federal Financial Reports (SF-425) - 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 2015 the City spent 93.81 percent of its non-administrative funds on activities that principally benefitted low- and moderate-income persons. Activities reported appear to meet a national objective.

PY 2015 Summary of Use of CDBG funds:

	Activities Completed	2015 \$ Disbursed	% of total Disbursed
Acquisition	1 activity	\$ 39,565.05	4.13%
Economic Development	2 activities	\$ 15,000.00	1.56%
Housing	28 activities	\$ 378,090.44	39.44%
Public Facilities & Improvements	6 activities	\$ 81,511.34	8.50%
Public Services	11 activities	\$ 104,000.00	10.85%
Section 108 Repayment	2 activities	\$ 340,442.50	35.51%
TOTAL	50 activities	\$ 958,609.33	99.99%

Activities: Program activities were adequately described during the reporting period. CDBG funds were spent on activities that were eligible under program rules. The above “Activities Completed” chart reflects multiple program year funding, does not reflect work in progress or activities underway at the time of the CAPER report and does not include planning and administration disbursements.

The City of Elmira has reported on the first 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) 2015, the City expended 19.91 percent of its overall spending on planning and administration. This is within the 20 percent limit.

Program Income: The City received \$196,820.99 in CDBG program income in PY 2015. There were no draws against receipts, leaving a fund balance of \$196,820.99. A review of activity in prior years revealed there was also a program income balance in PY 2014. 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 1, 2016. As of November 17, 2016, the balance of CDBG funds on Elmira's line of credit was \$1,417,039.44, which is 1.30 times the 2016 CDBG grant award of \$1,088,208. Based on historical performance we do not anticipate that the City will have any problem meeting its May 1, 2017 timeliness test.

IDIS Data: The City has aggressively addressed its older, open CDBG activities and should continue to monitor its IDIS records regarding the status of activities at least quarterly.

Public Services: During Program Year (PY) 2015, the City expended 8.36 percent of its overall spending on public services. This is within the 15 percent limit.

Other Issues / Recommendations / Highlights

Highlights noted during the CAPER reviews include:

- Rehabilitated 17 units
- Provided homeownership counseling to 72 households
- Served 386 persons at Catholic Charities' Second Place East Emergency Shelter
- Prevented 528 individuals from becoming homeless

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: \$22,200 of the City's \$222,636 FY15 HOME allocation was committed to HOME administration; \$20,312.72 was disbursed. Administration costs were within the 10 percent cap.

Program Income (PI): In PY 2015 the City receipted \$15,466.19 in HOME program income funds. There were no draws against receipts, leaving a fund balance of \$15,466.19. A review of activity in prior years revealed there was also a program income balance in PY 2013 and PY 2014. In accordance with 24 CFR 92.502(c)(3) PJs must disburse program income before drawing funds from the line of credit.

Deadlines for Commitments/Reservations/Disbursements: The City met its July 31, 2016 2014 commitment, 2014 CHDO reservations and 2011 disbursement deadlines.

IDIS Data: The City has established an on-going IDIS clean-up program. 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 2015, 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 2015, the City reserved and committed \$35,000 to its CHDO, Near Westside Neighborhood Association.

Other Issues/Recommendations/Highlights

Highlights noted during the CAPER reviews include:

- Assisted twelve households to become first-time homebuyers
- Rehabilitated five owner-occupied units
- Completed two rental units

Other Issues/Recommendations/Highlights: None

Section IV – Summary and Follow up

Follow Up Items

1. 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.
2. HUD's FHEO Division evaluated the City's 2015 CAPER and determined that the City's performance was adequate under Title VIII and E.O. 11063 Certifications. They determined that the City must identify activities it will conduct to address the Section 3 regulatory requirements. For additional information on this issue, please contact Tammy Muffoletto, Equal Opportunity Specialist at 716-551-5755, extension 5524 or at Tammy.M.Muffoletto@hud.gov.
3. A review of IDIS report PR 09 Program Income Detail Report by Fiscal Year and Program for the period July 1, 2013 through June 30, 2016 revealed program income balances for both the CDBG and HOME programs in PY 2015. A review of activity in prior years revealed there were also program income balances in PY 2013 and PY 2014. In accordance with 24 CFR 570.504(b) and 24 CFR 92.502(c)(3) recipients/grantees must disburse program income before drawing funds from the line of credit. Please refer to the enclosed PR 09 and Section E Disbursement of Program Income of Notice CPD 97-9 for clarification.

Enclosure

This report was prepared by

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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 Elmira has the continuing capacity to carry out the HUD programs identified in this report.

If you have any questions or would like to discuss the Assessment Report, please contact Linda Moore, Sr. Community Planning and Development (CPD) Representative at 716-551-5755 extension 5830. If you disagree with this assessment, within 30 days please respond, in writing to William O'Connell, Director of Community Planning & Development – HUD, 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 will 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.

