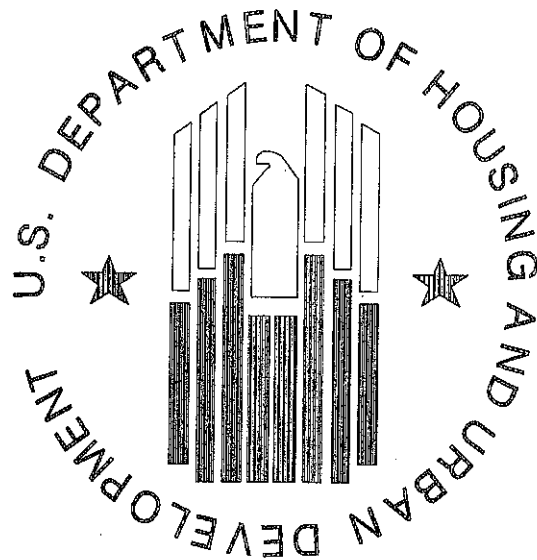


**U.S Department of Housing & Urban Development
Buffalo, New York Office**



Annual Community Assessment Report

for

City of Rochester, New York

**Covering the Program Year of
July 1, 2014 – June 30, 2015**

The actual 2014 Program Year expenditures recorded in IDIS verify that the City did expend HUD funds in these broad categories and within the requirements of HUD funding regulations. More detailed information about accomplishment highlights and assessments of expected accomplishments to actual accomplishments can be found in Section III of this report.

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 2014 CAPER was received on September 24, 2015. 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 2014 CAPER and determined that the City's performance was adequate under Title VIII and E.O. 11063 Certifications. They recommended the City continue to update its Analysis of Impediments to fair housing choice (AI), identify and undertake actions to address impediments, and submit the AI to HUD. For technical assistance or additional information on this issue, please contact Angela Woodson-Brice, Equal Opportunity Specialist at 716-551-5755, extension 5602 or at Angela.E.Woodson-Brice@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: HOME
Date of Monitoring: June 26, 2013 – June 27, 2013
Monitoring Status: No findings, no concerns and one recommendation

Subrecipient Oversight & Monitoring - The City reports that it regularly monitors and evaluates its subrecipients that administer activities with CDBG funds.

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. The City's Single Audit Report for the Fiscal Year ended 6/30/2014 is current.

Quarterly Federal Financial Reports - 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 2014 the City spent 99.28 percent of its non-administrative funds on activities that principally benefitted low-moderate income persons. Activities reported appear to meet a national objective.

PY 2014 Summary of Use of CDBG funds:

	Activities Completed	2014 \$ Disbursed	% of total Disbursed
Acquisition	5 activities	\$ 36,320.00	.61%
Economic Development	82 activities	\$ 294,476.41	4.97%
Housing	295 activities	\$ 4,786,144.61	80.79%
Public Facilities & Improvements	11 activities	\$ 31,733.36	.54%
Public Services	31 activities	\$ 774,594.16	13.07%
Section 108 Repayment	1 activity	\$ 1,000.00	.02%
TOTAL	425 activities	\$ 5,924,268.54	100.00%

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 Rochester has reported on the fifth 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) 2014, the City expended 13.70 percent of its overall spending on planning and administration. This is within the 20 percent limit.

Program Income: The City receipted and drew \$744,668.64 in CDBG program income in PY 2014, leaving a \$0 balance.

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, 2015. As of November 23, 2015, the balance of CDBG funds on Rochester's line of credit was \$16,713,429.24, which is 2.14 times the 2015 CDBG grant award of \$7,791,818. This statistic is skewed because the City only recently received its FY 2015 funding; therefore has not had much opportunity to obligate and expend FY 2015 funds. Based on historical performance we do not anticipate that the City will have any problem meeting its May 1, 2016 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: The City expended 9.25% of its PY 2014 funds on public services activities. During PY 2014 the City spent \$1,067,572.14 (of PY 2014 and prior year) CDBG funds on 43 public services activities. Public services activities included youth services, employment training, tenant/landlord counseling and child care services.

Other Issues / Recommendations / Highlights

Highlights noted during the CAPER reviews include:

- Rehabilitated 168 single-family units and 14 multi-family units
- Provided direct financial assistance to 78 for-profit businesses
- Funded 43 public services activities

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, rental housing rehabilitation and first time homebuyer program.

Financial

Administration: HOME administration costs were within the 10% cap.

Program Income (PI): In PY 2014 the City receipted and drew \$91,971.97 in HOME program income funds, leaving a \$0 balance.

Deadlines for Commitments/Reservations/Disbursements: The City met its August 31, 2015 2013 commitments, 2013 CHDO reservations and 2010 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 Rochester received a 100% match reduction in PY 2014, 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. In PY 2014, the City received \$1,978,236 in HOME funds; the City is required to reserve 15% (\$296,735.40) to a CHDO(s). To date no FY14 HOME funds have been reserved.

Other Issues/Recommendations/Highlights

Highlights noted during the CAPER reviews include:

- Assisted 101 households to become first time homebuyers
- Rehabilitated twenty-seven renter-occupied units

Emergency Solutions Grant (ESG)

Summary of Performance Indicators and Accomplishments

Activities: The City does not provide shelter or services directly. The City uses a request for proposal process to solicit projects that receive funds. During the program year, ESG activities were adequately described and funds were spent according to program rules. The following highlights activities and accomplishments that were completed during the program year:

Emergency Shelters and Services: The City spent \$636,067.88 funding 16 agencies.

Beneficiary Compliance: The ESG program is designed to provide shelter and support services to homeless persons. The City expected to serve 3,557 persons during the program year; the actual number served was 3,802 unduplicated.

100 percent Match Requirement: The City has outlined that ESG recipients have a 100 percent match requirements The City should continue to ensure that this requirement is met by each recipient.

Commitments and Disbursements: The City is committing funds and making disbursements for activities within the required timeframes, including commitments and disbursements for administration with a few minor exceptions. According the PR93 IDIS report “ESG Risk Status Recipient Report” the City has committed 99.32 percent of its 2013 ESG allocation. The City must commit \$3,860.28 to eligible activities and expend \$7,519.50. For the City’s FY 2014 ESG allocation 100 percent of the funds are committed; \$212,222.86 has yet to be expended. Please see that these funds for FY 2013 are committed and disbursed on eligible ESG activities as soon as possible.

Housing Opportunities for Persons with AIDS (HOPWA)

Summary of Performance Indicators and Accomplishments

Activities: During the program year, HOPWA activities were adequately described and funds were spent according to program rules. During the program year, the City spent \$915,158.12 funding the following agencies:

Trillium (AC Center Inc. dba AIDS Care)
Catholic Charities Community Services

Beneficiary Compliance: The HOPWA program is designed to provide housing for persons with AIDS. During the reporting period, the City expected to serve 199 households. The actual number served was 154.

Commitments and Disbursements: The City is committing funds and making disbursements for activities within the required timeframes, including commitments and disbursements for administration. Program progress was determined to be satisfactory.

Other Issues/Recommendations/Highlights: None

Section IV – Summary and Follow up

Follow Up Items

1. For presumed benefit activities assigned an LMC national objective, the activity description in IDIS must explicitly state which of the following presumed LMI beneficiaries are being served: abused children, battered spouses, elderly persons, severely disabled adults, homeless persons, illiterate adults, persons living with AIDs or migrant farm workers. Refer to 24 CFR 570.208(a)(2)(A) for clarification.
2. Please provide the status of the following CDBG activities, all of which were initially funded prior to 2014:
 - a. Activity #7910: Cox Building pre-development studies – funded on 2/25/2008.
 - b. Activity #10203: Microform, Inc. – funded on 2/7/2013.
 - c. Activity #10691: Hudson Avenue Business beautification activity– funded on 9/24/2013.
 - d. Activity #10789: J.F. Jones Jewelers – funded 11/22/2013.
 - e. Activity #10751: Pooley, Inc. equipment purchase– funded 10/31/2013.
 - f. Activity #10225: 89 Somerset Street lead hazard reduction – funded 2/20/2013. This activity is listed as completed. Also review lead hazard reduction activities #10757 and #10759.
3. In PY 2014, the City received \$1,978,236 in HOME funds; the City is required to reserve 15% (\$296,735.40) to a CHDO(s). To date no FY14 HOME funds have been reserved.
4. Please ensure the City commits \$3,860.28 of FY 2013 funds to eligible activities and expends \$7,519.50 on eligible ESG activities as soon as possible.
5. Please ensure future CAPERs include the following information:
 - a. A list of all HUD-funded projects or activities that were monitored during the PY, how they were monitored, the results of the monitoring and any improvements. For HOME units include the number of HOME rental projects, the number of units in each project and when they are scheduled for on-site inspection (24 CFR 92.504(d)).
 - b. A list of all reports, in addition to the CAPER, that were made available to interested parties during the citizen participation process.
 - c. A discussion of the barriers that had a negative impact on fulfilling the City's strategies and overall vision, an indication of whether major goals are on target, a discussion of the reasons why certain goals are not on target and an identification of any adjustments or improvements to strategies and activities that might meet the City's needs more effectively.
6. 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 in final draw status for more than 120 days are reviewed and appropriate action is taken.
7. FHEO has recommended the City continue to update its Analysis of Impediments to fair housing choice (AI), identify and undertake actions to address impediments, and submit the AI to HUD. For technical assistance or additional information on this issue, please contact

Angela Woodson-Brice, Equal Opportunity Specialist at 716-551-5755, extension 5602 or at Angela.E.Woodson-Brice @hud.gov.

This report was prepared by

Linda Moore, CPD Representative
716-551-5755 ext 5830
Linda.G.Moore@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 Rochester has the continuing capacity to carry out HUD programs identified in this report.

The City has the opportunity to respond within 30 days concerning the information contained in this report. If you have any questions or would like to discuss the Assessment Report, please contact Linda Moore, CPD Representative. She can be reached at 716-551-5755 extension 5830. If you disagree with this assessment, please respond in writing to William T. O'Connell, Director of Community Planning & Development – HUD, 465 Main Street, Buffalo, New York 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 the City's Program Year Review Letter as required by HUD regulation. Consistent with the Consolidated Plan regulations, the Program Year Review Letter should be made available to the public through the City's established citizen participation process. HUD will also make it available to citizens upon request.



U.S. Department of Housing and Urban Development
Buffalo Office
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DEC 02 2015

Mr. Bayé Muhammad
Commissioner, Department of Neighborhood
and Business Development
City of Rochester
City Hall, Room 223B
30 Church Street
Rochester, NY 14614-1290

Dear Mr. Muhammad:

SUBJECT: Program Year 2014 Annual Community Assessment (ACA)
Reporting Period July 1, 2014 to June 30, 2015
Community Development Block Grant (CDBG) Program, HOME Investment
Partnerships Program (HOME), Emergency Solutions Grant Program (ESG), and
Housing Opportunities for Persons with AIDS Program (HOPWA)

Enclosed please find HUD's Annual Community Assessment (ACA) reviewing the implementation and performance of the City of Rochester's CDBG, HOME, ESG and HOPWA programs. While continuing efforts are taken into consideration, this assessment primarily focuses on the 2014 program year, which covered the period July 1, 2014 to June 30, 2015.

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 Linda G. Moore, Sr. CPD Representative, at 716-551-5755, extension 5830 or via email at linda.g.moore@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