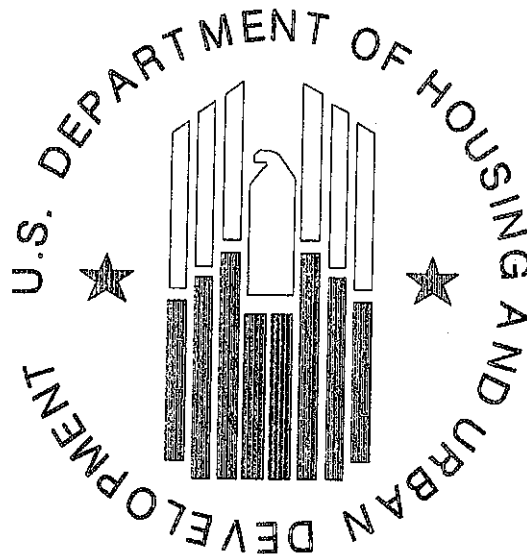


**U.S Department of Housing & Urban Development
Buffalo, New York Office**



2008
Annual Community Assessment Report

For

City of Rochester, New York

July 1, 2008 – June 30, 2009

Introduction

As a recipient of grant funds provided by the Department of Housing and Urban Development, each jurisdiction that has an approved Consolidated Plan shall annually review and report to HUD on the progress it has made in carrying out its Consolidated Plan and Annual Action Plan. The performance report is submitted to HUD in the form of the Consolidated Annual Performance and Evaluation Report (CAPER).

HUD has the responsibility to review the CAPER report and the performance for each jurisdiction on an annual basis. In conducting performance reviews, HUD will primarily rely on information obtained from the recipient's performance reports, records, findings from monitoring reviews, grantee and subrecipient audits, audits and surveys conducted by the Inspector General, and financial data regarding the amount of funds remaining in the line of credit plus program income. HUD may also consider relevant information pertaining to a recipient's performance gained from other sources, including litigation, citizen comments, and other information provided by or concerning the recipient. A recipient's failure to maintain records in the prescribed manner may result in a finding that the recipient has failed to meet the applicable requirement to which the records pertains. Such information, along with grantee input, is considered in HUD's Annual Community Assessment in order to make a determination that a grantee has the continuing capacity to administer HUD programs.

In the assessment of your community's performance, this report is prepared to provide feedback on your community's performance in the delivery of HUD's Community Development Programs. This report is presented in two sections. Section I provides a general summary related to your planning and performance reporting. Section II provides general overview related to specific program progress and performance.

Section I – Planning and Reporting

2008 Programs and Funding Amounts:	CDBG	\$9,521,039.00
	HOME	\$3,160,365.00
	ADDI	\$ 18,921.00
	ESG	\$ 425,305.00
	HOPWA	\$ 640,000.00
	CDBG-R	\$2,585,159.00
	HRP	\$3,954,235.00

Compliance with Consolidated Plan and 2008 Annual Action Plan

It was determined that the City followed its HUD-approved Consolidated Plan and Annual Action Plan during the 2008 program year, consistent with the City's stated goals, objectives and priority needs for each program funded. These goals, objectives and priority needs were based on the following four key elements identified by the City:

1. Support Neighborhoods Building Neighborhoods

2. Promote Economic Stability
3. Improve Housing Stock and Property Conditions
4. Respond to General Community Needs

The activities designed, funded and completed during this reporting period supported these goals, objectives and priorities. More detailed information about accomplishment highlights and assessments of expected accomplishments to actual accomplishments can be found in Section II of this report.

Accuracy of Performance Reports

A Consolidated Annual Performance and Evaluation Report (CAPER) is due 90 days after the City completes their 2008 program year. The City's CAPER for 2008 was received by the HUD Buffalo Field Office on September 28, 2009. The report was received on time, determined to be substantially complete, and accurately described the City's performance throughout the program year. More detailed information about accomplishment highlights and assessments of expected accomplishments to actual accomplishments can be found in Section II of this report.

Section II – Program Progress and Performance

Community Development Block Grant (CDBG)

Summary of Performance Indicators and Accomplishments

Activities: Program activities were adequately described during the reporting period. CDBG funds were spent on activities that were eligible under program rules. The following highlights activities and accomplishments that were completed during the program year:

Economic Development: \$1,249,918.00 was spent during the program year. The City expected to assist 84 businesses and 82 were actually assisted. The number of jobs expected was 15 and the actual number of jobs assisted was 121.

Housing: \$3,491,129.00 was spent during the program year. The City's expected to complete 616 housing units for activities such as residential assistance, rehabilitation, energy efficient improvements and lead paint abatement. They completed 240 units during the reporting period.

Public Facilities and Improvements: 10 projects were completed and \$1,678,945.00 was spent during the program year.

Public Services: 33 agencies and service providers were funded and \$833,236.00 was spent during the program year.

This amount represents 7percent of the City's overall spending, which was within the 15percent public service limit. The City expected to assist 706 people, and actually served 14,978.

Planning and Administration: The City spent \$2,029,589.00 for planning and administration during the reporting period, which accounts for 15percent of their overall spending. This was within the 20percent limit.

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

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 in compliance with the 1.5 timeliness test made on May 1, 2009. It was determined that the City's CDBG program was carried out in a timely manner.

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 performance on May 11-14, 2009. There were two findings made as a result of this review. The City's has responded in order to clear both findings and their response is currently under review at this time.

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 CDBG program. The Financial Summary Report submitted with the 2008 program year CAPER is accurate and complete. During the program year, the City has also correctly receipted program income in IDIS, submitted quarterly Federal Cash Transactions Reports, and is current with required audits. Our review did not reveal any significant issues related to overall financial compliance.

Management

The City has experienced staff that is capable of administering and overseeing their CDBG program activities. There have not been any key staff vacancies or new hires during the reporting period. The City reports that they regularly monitor and evaluate subrecipients administering activities with CDBG funds.

Recommendations/Areas for Improvement

There are no recommendations or areas for improvement noted at this time. The City has the continuing capacity to carry out their CDBG program.

Home Investment Partnerships (HOME), and American Dream Downpayment Initiative (ADDI)

Summary of Performance Indicators and Accomplishments

Activities: Program activities were adequately described during the reporting period. HOME and ADDI funds were spent on activities that were eligible under program rules. The following highlights activities and accomplishments that were completed during the program year:

First-Time Homebuyer: \$1,134,173.00 was spent on first-time homebuyer education and purchase assistance during the program year, assisting 91 persons.

Owner Rehabilitation: \$583,429.00 was spent during the program year and 102 housing units were rehabilitated

Multifamily Rental: The City spent \$488,758.00 to develop 106 units of rental housing during the program year.

Beneficiary Compliance: The HOME and ADDI programs were designed to principally benefit low-moderate income persons. During the reporting period, it was determined that the City spent 100percent of their funds on activities that principally benefitted low-moderate income persons.

Commitments/Reservations/Disbursements: The HOME and ADDI programs require 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.

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 and ADDI programs. During the program year, the City has also correctly receipted program income in IDIS and was current with required audits. Our review did not reveal any significant issues related to overall financial compliance.

Management

The City has experienced staff that is capable of administering and overseeing their HOME and ADDI program activities. There have not been any key staff vacancies or new hires during the reporting period. The City reports that they regularly monitor and evaluate CHDOs and subrecipients administering activities with HOME and ADDI funds.

Recommendations/Areas for Improvement

The HOME Program Snapshot Worksheet – Red Flag Indicators Report indicates that the City has red flag indicators for percent of renters below 50 percent of area median income and percent of occupied rental units to all rental units. It is recommended that the City review this report and update data in IDIS where necessary. There are no other recommendations, or areas for improvement, noted at this time. The City has the continuing capacity to carry out their HOME and ADDI programs.

Emergency Shelter 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 \$412,972.00 funding 29 agencies.

Beneficiary Compliance: The ESG program is designed to provide shelter and support services to homeless persons. Of the 29 projects funded during the 2008 program year, 17 exceeded their service target. Overall, the City expected to serve 12,034 persons and the actual number served was 60,653.

Commitments and Disbursements: The ESG program requires that funds be committed within two years, and disbursed within five years. It was determined that 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

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

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 ESG program. During the program year, the City was current with required audits. Our review did not reveal any significant issues related to overall financial compliance.

Management

The City has experienced staff that is capable of administering and overseeing their ESG program activities. There have not been any key staff vacancies or new hires during the

reporting period. The City reports that they regularly monitor and evaluate the agencies that provide ESG services.

Recommendations/Areas for Improvement

There are no recommendations or areas for improvement noted at this time. The City has the continuing capacity to carry out their ESG program.

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. The following highlights activities and accomplishments that were completed during the program year:

AIDS Rochester: The City spent \$384,900.00.

Catholic Charities: The City spent \$235,900.00.

Beneficiary Compliance: The HOPWA program is designed to provide housing for persons with AIDS. During the reporting period, the City expected to serve 230 persons and their families and the actual number served was 208.

Commitments and Disbursements: The HOPWA program requires that funds be committed within two years, and disbursed within five years. It was determined that 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.

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

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 HOPWA program. During the program year, the City was current with required audits. Our review did not reveal any significant issues related to overall financial compliance.

Management

The City has experienced staff that is capable of administering and overseeing their HOPWA program activities. There have not been any key staff vacancies or new hires during the

reporting period. The City reports that they regularly monitor and evaluate the agencies that provide HOPWA services.

Recommendations/Areas for Improvement

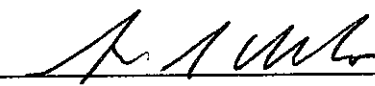
There are no recommendations or areas for improvement noted at this time. The City has the continuing capacity to carry out their HOPWA program.

**Community Development Block Grant Recovery Act (CDBG-R), and
Homeless Prevention and Rapid Re-housing Program (HPRP)**

The City was allocated funds under the American Recovery and Reinvestment Act of 2009. In order to apply for these funds, the City was required to identify project activities and amend their 2008 Annual Action Plan. The City successfully completed the amendment process and was subsequently awarded funds, as follows:

CDBG-R:	\$2,585,159.00
HPRP:	\$3,954,235.00

During the City's 2008 program year reporting period, no activities were started and funds had not yet been expended by the City for these Recovery Act programs. An analysis of the City's performance and accomplishments for CDBG-R and HPRP will be forthcoming in the next Annual Community Assessment report issued by HUD for the 2009 program year.

This report was prepared by: 
Alex J. Vilardo, CPD Representative

The City has the opportunity to respond within 30-days concerning the information contained in this report. The response should be made in writing to: Buffalo HUD Office, Director of Community Planning and Development, 465 Main Street, Buffalo, NY, 14203. The response should identify any areas of disagreement, including updates 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.



City of Rochester

Neighborhood and Business Development
Commissioner
City Hall Room 223B, 30 Church Street
Rochester, New York 14614
www.cityofrochester.gov



ucap
R. Carlos Carballada
Commissioner

2010 MAR 9 AM 10 14

March 4, 2010

Nancy A. Peacock, Director
Community Planning and Development Division
U.S. Department of Housing and Urban Development
Buffalo Office
465 Main Street
Buffalo, New York 14203

Dear Ms. Peacock:

SUBJECT: 2008 Annual Community Assessment

This is in response to your letter, dated February 22, 2010, concerning the Annual Community Assessment (ACA) for the City of Rochester. Following are our comments.

Program Progress and Timeliness

The Community Development Block Grant program requires that the City's unexpended CDBG funds be no more than 1.5 times our annual grant 60-days before the end of the program year. As shown on the table below, our timeliness ratio has been increasing.

Program Year	Ratio
2006	1.12
2007	1.31
2008	1.47

In an effort to create awareness of this issue, we have re-issued our policy on CDBG Timeliness of Expenditures.

HUD Monitoring

The Buffalo Field Office conducted an on-site monitoring review of Community Development Block Grant on May 11-14, 2009. The following table provides an indication of the areas reviewed and the results.

*10-931
ENT
3/30/10
Vilardo -*



Area	Result
CDBG Overall Management	No Findings
CDBG Financial Management	Two Findings
Civil Rights Related Program Requirements	No Findings

We are requesting that the ACA be updated to reflect that the Department has taken corrective actions and the findings were closed on February 5, 2010.

HOME Program Snapshot Worksheet

The HOME Program Snapshot Worksheet – Red Flag Indicators Report indicates that the City has red flag indicators for percent of renters below 50 percent of area median income and percent of occupied rental units to all rental units.

The Department has addressed this issue by requesting household data to be submitted along with the annual HOME Rent and Occupancy Report. The household data will be entered into IDIS where necessary.

I want to thank you and your staff for the technical assistance that you provided our program and look forward to working with you and your team in the future.

Sincerely,



R. Carlos Carballada
Commissioner

cc: J. Mustico
B. Garwood