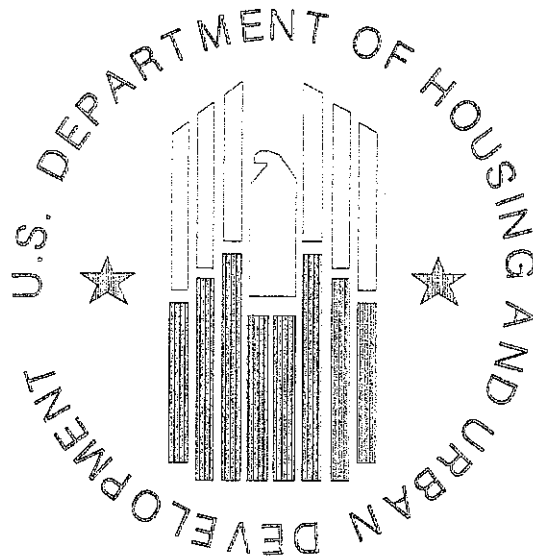


**U.S Department of Housing & Urban Development
Buffalo, New York Office**



**2012
Annual Community Assessment Report**

For

City of Rochester, New York

July 1, 2012 – June 30, 2013

Revised March 2014

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 primarily relies 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 pertain. 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 a general overview related to specific program progress and performance.

Section I – Planning and Reporting

2012 Programs and Funding Amounts:	CDBG	\$7,839,087.00
	HOME	\$1,869,982.00
	ESG	\$ 754,920.00
	HOPWA	\$ 691,595.00

Compliance with Consolidated Plan and 2012 Annual Action Plan

It was determined that the City followed its HUD-approved Consolidated Plan and Annual Action Plan during the 2012 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 that were 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 its 2012 program year. The City's CAPER for 2012 was received by the HUD Buffalo Field Office on September 26, 2013. 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 for the reporting period were adequately described in the CAPER. CDBG funds were spent on activities that were eligible under program rules. The following highlights CDBG activities and accomplishments that were completed during the program year:

Economic Development: \$1,996,391.00 was spent during the program year on activities for direct assistance to for-profits and assistance to micro-enterprises. The City assisted 79 businesses and created or retained 125 jobs.

Housing: \$3,633,059.00 was spent during the program year to improve the quality of owner housing through activities such as residential assistance, rehabilitation, energy efficient improvements and lead paint abatement. The City addressed 566 housing units during the reporting period.

Public Services: The City spent \$1,139,415.00 during the program year on a variety of public service activities including senior and youth services, employment training, tenant/landlord counseling and child care services. Over 700 individuals were served during the reporting period.

Public Facilities: The City spent \$253,620 on public facilities such as street and park improvements and assistance to neighborhood business associations.

National Objective Compliance: The CDBG program was designed to principally benefit low-moderate income persons. During the reporting period, the City spent 84.09% of its CDBG funds on activities that principally benefitted low-moderate income persons.

Planning and Administration: The CDBG program rules allow the City to spend up to 20% of its grant funds plus program income on eligible planning and administrative costs. During the reporting period, the City spent \$1,490,535.00 on planning and administration. This figure is adjusted by subtracting the \$360,429 of unliquidated obligations at the end of the previous year and adding \$29,200 of unliquidated obligations at the end of the current program year for a total of \$1,159,305. This adjusted figure is 13.30% of the entitlement grant amount plus program income which is \$8,714,849 and is well within the 20% limit.

Public Services: The CDBG program rules allow the City to spend up to 15% of its grant funds plus program income on eligible public services related activities. During the reporting period, the City spent \$1,139,415. When this figure is adjusted by subtracting the \$424,857 of unliquidated obligations at the end of the previous year and adding the \$66,274 of unliquidated obligation at the end of this reporting year, the total public services obligations subject to the cap is \$780,831. The City's public service expenditure and obligations for the reporting year is 8.50% of the CDBG grant plus program income and is within the 15% limit.

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, 2013. It was determined that the City's CDBG program was carried out in a timely manner.

Fair Housing and Equal Opportunity: The Fair Housing Division of HUD in the Buffalo Field Office reviewed the CAPER and observed that although not addressed in the 2012 CAPER, in previous CAPERs the City indicated that its last Analysis of Impediments to Fair Housing (AI) was dated 1996. The City was advised that it must update its AI as soon as possible. The City's December 12, 2013 response from the Commissioner of the Department of Neighborhood and Business Development indicated that the Department worked with the Fair Housing Division of HUD to update the AI and anticipated the completion by March 31, 2014. Once the AI is completed please submit it to HUD.

HUD Monitoring: The Buffalo Field Office did not conduct an on-site monitoring review of the City's CDBG performance during the program year.

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. However, the City was advised that based on a review of the Financial Summary Report (PR 26) submitted with the 2012 CAPER the City should take note of the following two items:

1. The \$197,470.06 adjustments noted on lines seven (7) and thirty-four (34) of the Financial Summary Report needs to be explained. The City's December 12, 2013 response included the following explanation:

"The adjustment made is for two program income matters. The first is to account for \$205,457.68 in program income for 2012-13 that was not receipted until the

2013-2014 program year. The second is for 2011-12 program income in the amount of \$402,927.74 that was received in the 2012-13 program year. This totaled (\$197,470.06) in program income adjustments to the PR26.”

2. The City needs to submit confirmation that the interest earned on the revolving loan fund was returned to Treasury. The City’s December 12, 2013 response indicates that no funds were returned to Treasury during the 2012-13 year. The most recent revolving loan fund ended in 2011-12 program year and \$298,022.47 in program income was included in the \$1,099,300.89 program income receipt.

During the program year, the City has 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 its CDBG program activities. There have not been any key staff vacancies or new hires during the reporting period. The City reports that it regularly monitors and evaluates its subrecipients that administer activities with CDBG funds.

Recommendations/Areas for Improvement

1. *Fair Housing and Equal Opportunity:* The City must update its Analysis of Impediments to Fair Housing (AI) as soon as possible. Technical assistance can be provided upon request. The City can contact Ms. Angela Woodson-Brice via email at angela.e.woodsonbrice@hud.gov and by telephone at 76-551-5755 extension 5602 for technical assistance.
2. *Financial Summary Report:* Based on a review of the Financial Summary Report (PR 26) submitted with the 2012 CAPER the City should take note of the following two items:
 - The \$197,470.06 adjustments noted on lines seven (7) and thirty-four (34) of the Financial Summary Report need to be explained.
 - The City needs to submit confirmation that the interest earned on the revolving loan fund was returned to Treasury.

Home Investment Partnerships (HOME)

Summary of Performance Indicators and Accomplishments

Activities: Program activities were adequately described for the reporting period. HOME 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: \$1,340,703 was spent on first-time homebuyer education and purchase assistance during the program year. The City completed 130 units.

Minority Business Enterprises (MBE): The City awarded 11 MBE contracts totaling \$46,270,764 during the program year

Woman Business Enterprises (WBE): The City awarded 24 WBE contracts totaling \$3,240,280 during the program year.

Beneficiary Compliance: The HOME program was designed to principally benefit low-moderate income persons. During the reporting period, it was determined that the City spent 100% of its HOME funds on activities that principally benefitted low-moderate income persons.

Commitments/Reservations/Disbursements: The HOME program requires 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: As previously noted, the Analysis of Impediments to Fair Housing Choice (AI) needs to be updated as soon as possible.

HUD Monitoring: The Buffalo Field Office conducted an on-site monitoring review of the City's HOME program in June 2013. No findings or concerns were noted.

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 program. During the program year, the City has also correctly receipted program income in IDIS and was current with required audits. Please note the two issues regarding adjustments to lines seven and thirty-four and revolving loan fund interest noted above under CDBG. 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 its HOME program activities. There have not been any key staff vacancies or new hires during the reporting period. The City reports that it regularly monitors and evaluates CHDOs and subrecipients administering activities with HOME funds.

Recommendations/Areas for Improvement

As previously noted:

1. The Analysis of Impediments to Fair Housing Choice (AI) needs to be updated.

2. The \$197,470.06 adjustments noted on lines seven (7) and thirty-four (34) of the Financial Summary Report need to be explained.
3. The City needs to submit confirmation that the interest earned on the revolving loan fund was returned to Treasury.

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 \$605,408 funding 22 agencies.

Beneficiary Compliance: The ESG program is designed to provide shelter and support services to homeless persons. The City expected to serve 5,493 during the program year and the actual number served was 7,617.

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.

Fair Housing and Equal Opportunity: As previously noted, the Analysis of Impediments to Fair Housing Choice (AI) needs to be updated as soon as possible.

HUD Monitoring: The Buffalo Field Office did not conduct an on-site monitoring review of the City's performance during the program year.

Financial

The financial information provided by the City appears to be complete, accurate, and was described 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 its ESG program activities. There have not been any key staff vacancies or new hires during the reporting period. The City reports that it regularly monitors and evaluates the agencies that provide ESG services.

Recommendations/Areas for Improvement

There are no recommendations or areas for improvement noted at this time with the exception of the Analysis of Impediments to Fair Housing Choice as noted above. The City has the continuing capacity to carry out its 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. During the program year, the City spent \$902,067 funding the following agencies:

Trillium (formerly known as AIDS Care)
Catholic Charities

Beneficiary Compliance: The HOPWA program is designed to provide housing for persons with AIDS. During the reporting period, the City expected to serve 200 households. The actual number served was 148.

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.

Fair Housing and Equal Opportunity: As previously noted, the Analysis of Impediments to Fair Housing Choice (AI) needs to be updated as soon as possible.

HUD Monitoring: The Buffalo Field Office did not conduct an on-site monitoring review of the City's performance of its HOPWA program during the program year.

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 its HOPWA program activities. There have not been any key staff vacancies or new hires during the reporting period. The City reports that it regularly monitors and evaluates the agencies that provide HOPWA services.

Recommendations/Areas for Improvement

There are no recommendations or areas for improvement noted at this time with the exception of the Analysis of Impediments to Fair Housing Choice as noted above. The City has the continuing capacity to carry out its HOPWA program.

This report was prepared by Margaret M. Rafferty, CPD Representative
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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 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 Margaret Rafferty, CPD Representative. Ms. Rafferty can be reached at 716-551-5755 extension 5807. 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.