

**CONSOLIDATED ANNUAL PERFORMANCE
AND EVALUATION REPORT (CAPER) - FY 2009
Program Year 2008
B-08-MC-190008 and M-08-DC-190206
July 1, 2008-June 30, 2009
CITY OF WATERLOO, IOWA**

GENERAL ASSESSMENT

1. Assessment of one-year goals and objectives

The Community Development Board is pleased with its overall accomplishments this fiscal year. Each agency that was awarded funding was required to submit a report summarizing their goals and the outcomes they achieved by the end of this year. We have made a difference in the housing quality in Waterloo through our rehabilitation program, the new construction that we are funding, and doing emergency repairs. We funded Home Buyer Education classes and provided a manager to assist new homebuyers with purchasing a home as well as funding for down payment assistance. We held Spanish Home Buyer Education classes again this year to assist a growing Hispanic population purchase homes. We are doing some demolition work to remove slum and blight in the City, but have not completed all we want to do with this project. We will continue to invest time and money to clean up blighted areas in the City to enhance our neighborhoods. Our Section 108/BEDI projects continued this year. The BEDI projects were completed in September 2008. Completion of the Lafayette Park renovation was a challenge when water flooded the Park in June 2008. But we persevered, and the project was completed on schedule. Work continues on the river wall project, with a projected completion date next year.

2. Changes to the program as a result of experiences

We continue to use the HUD website for income determination and require our subrecipients to use the same. Our Rehabilitation Manager will be updating our rehabilitation program guidelines, and will be investigating a change in forgivable loans versus owner participation. We are striving to have all of our subrecipients utilize all their funds in the fiscal year they are allocated. During fiscal year 2009, the majority of our funding was for owner-occupied rehabilitation. Our staff has had to change their focus to rehabilitation assistance for our flood victims. The State of Iowa received funding through CDBG Supplemental funding, and the City of Waterloo has been allocated over \$1.8 million toward housing repairs and new construction.

3. Affirmatively furthering Fair Housing

The Waterloo Community Development Board follows an Affirmative Marketing Policy with regard to its programs. The elements of this policy are as follows:

- a. Informing the public, potential renters, and potential owners about federal fair housing laws and affirmative marketing policies.
- b. Informing potential renters of vacancies in properties improved with Rental Rehabilitation or other federal funds.

- c. Keeping records of advertisements and other efforts to inform the public.
- d. Special outreach through community centers and media serving the minority community.
- e. Taking corrective actions if goals are not met.

The Waterloo Community Development Board also cooperates with efforts by the Waterloo Human Rights Commission and the Iowa Civil Rights Commission to enforce fair housing laws.

Impediments to Fair Housing: The Community Development Board contracted Mullin and Lonergan Associates in April 2009 to complete an Impediments to Fair Housing Analysis. This report should be completed in September 2009. Prior to this, we contracted with the University of Northern Iowa's Center for Social and Behavioral Research to complete a study of Impediments to Fair Housing in 2003. The HOME/CDBG program has addressed the impediment to homeownership through its programs that are delivered through Iowa Heartland Habitat for Humanity, a Community Housing Development Organization (CHDO). Operation Threshold and local banks (through their community reinvestment activities) are working on the "good credit" impediment to purchase a home. The Waterloo Housing Authority offered down payment assistance grants and was successful in increasing homeownership. The Housing Authority funds are used to encourage non-traditional first-time homebuyers and Section 8 renters who may be apprehensive about approaching lenders.

4. Action taken to address obstacles to meeting underserved needs

Community Development has allocated funds to our Home Buyer Education program, which includes funds for interpretation services in homeownership. This has been well received by the Hispanic community and will be offered again this year.

5. Leveraging Resources

We were awarded an EPA grant in August 2007 for lead assessments and clearance testing, contractor training, and blood lead level testing for children. This \$100,000, two-year grant helps us stretch our CDBG and HOME funds and should allow us to complete rehabilitation on an additional three to four housing units. We asked for and received a one-year extension on this grant because the disaster of 2008 slowed down our lead activities. Many of the agencies we assist or have assisted also receive United Way funds from the community at large. These agencies include:

- Community Housing Initiative for Transitional and Permanent Housing - \$ 22,886
- Northeast Iowa Center for Independent Living for bus passes for the disabled, accessibility projects, and bus passes for employees - \$30,181
- Cedar Valley Friends of the Family for a domestic violence shelter - \$12,691
- Christian Community Development for the House of Hope - \$24,677
- Hawkeye Valley Area Agency on Aging for transportation, and special assistance to seniors - \$68,376
- Jesse Cosby Neighborhood Center for outreach and designations - \$25,929
- Northeast Iowa Food Bank for various food programs - \$202,344

- Operation Threshold for various programs - \$49,713
- Pathways Behavioral Services for adolescent treatment - \$28,468
- People's Community Health Clinic for elderly dental care and interpretation services - \$66,210
- Salvation Army for meals, shelter services, assistance and designations - \$197,841
- Seeds of Hope for domestic violence and child advocacy - \$48,819
- YWCA for childcare programs and women's transitional housing - \$129,101

The CDBG funds we receive are coupled with Lead Grant funds to rehabilitate eligible homes in the City. Community Development was awarded this grant in October 2007. This is an outstanding program that uses federal funds to meet the needs of eligible clients and utilize funding in a productive way. HOME funds require a match contribution from the consortium. This year, we received matching funds from Habitat for Humanity, Operation Threshold, a private developer, and loan payments. Any agency that receives HOME funds is required to provide the 25% match. We continue to look for other sources of funding for our programs to enhance productivity. In addition, we used General Obligation bond funds allocated by the Waterloo City Council to eliminate slum and blight by demolishing structures for non-eligible CDBG applicants to improve neighborhood appearances.

MANAGING THE PROCESS

Actions taken to ensure compliance with the program and comprehensive planning requirements

Community Development provides a training session at the start of every program year that requires mandatory attendance by all subrecipients. During this training, an overview is provided on the federal requirements, income guidelines, and general information. Each agency is encouraged to "ask before doing" if they are not familiar with federal guidelines. We also incorporated the Outcome Performance Measurement component during this training to help us comply with HUD's desire to better measure the impact of our programs. An on-site monitoring visit is completed with each subrecipient in the program year. During this visit, the project progress, financial information and project files are reviewed. A follow-up letter is sent to the agency, and any corrections that need to be made are documented. We also provide a training session before applications are made to provide information about the requirements to participants.

CITIZEN PARTICIPATION

1. Citizen comments

Public Hearings are held throughout the program year to provide citizens a chance to comment on projects. Various projects provide a short survey for participants to fill out. We use these surveys and comments to improve individual projects. The draft CAPER is made available for public review and comment at the Waterloo Community Development

Office and the Waterloo Public Library. Notices for the reviews and comment periods are published in the Waterloo/Cedar Falls *Courier*. A summary of any comments received, if any, are included in this report.

2. Identifying the Federal funds

The grant funds invested and geographic locations are provided under each project's accomplishments in this report.

INSTITUTIONAL STRUCTURE

Actions taken to overcome gaps in institutional structures and enhance coordination

This year, the Community Development Department was again responsible for updating the Continuum of Care document, a plan on how our community addresses homelessness. We attended meetings of the Local Homeless Coordinating Board to assist in the coordination of housing and homelessness.

MONITORING

1. The manner and frequency that activities are monitored

Agencies are monitored monthly. Documentation for reimbursement of expenditures is required before payment can be made. On-site monitoring is done at least once throughout the year, and more often when necessary to ensure compliance for the agencies receiving funds and the programs we internally oversee. Verification of income at each location is done at monitoring time. At least three individual files are reviewed for correct source documentation. Legal documents are recorded on each property assisted to ensure long-term affordability if required by the program. We work closely with the Building Inspections Department to ensure that properties assisted meet city standards.

2. Results of monitoring including improvements

Overall, the agencies funded with CDBG and HOME funds have been receptive to monitoring requirements. As stated before, a mandatory training session is held so the agencies are aware of compliance rules. Any "findings" with the agencies are corrected and documented in their file.

The City has completed its annual monitoring inspections on various HOME-funded projects completed in previous years. Monitoring will continue over the required time frame for any rental unit designated as HOME-funded. The monitoring time frame is determined by calendar year instead of fiscal year to assist the agencies that report to the State of Iowa. The City completed HQS and rehabilitation standards inspections at the following locations: three inspections at 200 E. Arlington Street (Roosevelt Apartments), seven inspections at 1311 Prospect (Highland Park Apartments), and seven inspections at 515 Stokes Drive (Stokes Senior Housing). In addition, audit, insurance, income documentation, and marketing documentation were received from each rental site.

3. Self-evaluation

The Community Development Board has made housing issues its number one focus. We fund rehabilitation programs, a handicap ramp program, repairs to sidewalks, and community service organizations when funding is available. We strive to assist the greatest number of eligible clients as effectively and efficiently as possible. This year, we completed rehabilitation and lead remediation on 39 housing units. We require agencies that receive funding to set goals and report on their progress annually as part of the transition to report outcome performance. Developers have completed two new construction homes, and Habitat for Humanity completed one home in Waterloo with CHDO funding. We assisted homeowners through our sidewalk repairs program in fiscal year 2009. Because these efforts have enhanced entire neighborhoods overall, more young families will be drawn to the area and be inspired to take ownership of their neighborhood.

LEAD-BASED PAINT

Actions taken to evaluate and reduce lead-based paint hazards

CDBG activities include efforts to reduce the risk of exposure to lead-based paint for the households served. Lead-based paint hazard notices are provided to owners and/or tenants with all applicable HOME or CDBG rehabilitation projects. Testing for lead-based paint in children is conducted by the Black Hawk County Health Department. They also assist in the supervision of abatement procedures where hazards and /or an elevated blood lead level child are identified.

The City of Waterloo was awarded a \$1.5 million grant in October 2007 to assist us in evaluating and reducing lead paint hazards. Our grant funds are used for community outreach, education, and training for contractors and citizens on lead safe practices. This program has a tremendous impact on our ability to assist homeowners with rehabilitation. We couple our Block Grant funds with this grant to get more “bang for the buck”. Our Board has adopted policies that require each housing rehabilitation activity completed to use abatement or interim controls for lead-based paint hazards. We partner with the Black Hawk County Health Department to perform risk assessments and clearance testing on our housing units. Waterloo has a very high number of older homes that require extensive rehabilitation to make them safe and sanitary. In conjunction with our Lead Grant, we were allocated relocation funds while work was being done on the housing unit. Our temporary relocation policy is to financially assist the household and require them to stay in a lead safe unit during relocation. We have done temporary relocation this fiscal year for lead rehabilitation. No problems have occurred with any relocation.

HOUSING

HOUSING NEEDS AND SPECIFIC HOUSING OBJECTIVES

Actions taken to foster and maintain affordable housing

The City of Waterloo and the City of Cedar Falls have again used consortia funds to further safe, sanitary housing in the Cedar Valley.

Community Development Block Grant and HOME funds were used for rehabilitation, emergency repairs, weatherization, and down payment assistance. The largest allocation of funds went towards the rehabilitation program managed by the City. Other funding for affordable housing was provided for demolition of infeasible structures, new construction, and rental deposits. The Waterloo Housing Partnership's (WHP) down payment assistance program provided the opportunity for qualifying individuals to purchase a home within the Consolidated Urban Revitalization Area (CURA). Habitat for Humanity provided a resale/rehabilitation program for single-family homes. A Homebuyer Education Program assists first-time buyers with information necessary to purchase a home. The Waterloo Housing Authority's down payment assistance program filled the void for persons who could not meet the Waterloo Housing Partnership program guidelines because of unique circumstances. Through their work in the community, they are able to contact persons that conventional outreach does not access. We are active members of the Cedar Valley Housing Coalition. The Coalition's mission is to attract and educate potential first-time homebuyers and new homeowners about community programs that specialize in the home buying process, financial assistance, information on grants and post-purchase activities.

A. Down Payment Assistance - New Construction in Target Area

Resources Invested: \$36,000 in HOME funds.

Activity undertaken: The Community Development Board wants to provide an incentive for purchase of new construction homes in the targeted neighborhoods. This program is in its fifth year. Six newly constructed homes by a private developer utilized the funds. Income verification is done by third party documentation for this activity.

B. Down Payment Assistance through the Waterloo Housing Partnership

Resources Invested: \$219,258.40 in HOME funds.

Activity Undertaken: Ten local lenders offer a portfolio loan product. A review meeting is held during the fiscal year to see if any changes should be made to the program. Eligible applicants can receive a seven percent forgivable loan up to \$5,000 for down payment assistance in the CURA. We continue to try to improve our program to assist qualified clients. Income verification is done by third party documentation for this activity.

Leveraging: \$ 3,157,153 in mortgage funds this fiscal year.
 \$ 53,808 in homebuyer funds this fiscal year.
 \$ 113,365 in other funds this fiscal year.

Households Assisted:

Number of Households Assisted	Income-0-30% AMI	Income-31-50% AMI	Income-51-60% AMI	Income-61-80% AMI	Single, non-elderly	Single, elderly
50	1	14	14	21	20	2
Male Head of Household	Female Head of Household	2-parent Household	Other	White	African-American	Hispanic
22	21	6	1	29	15	6

Geographic Distribution: All properties are located within the CURA. See map.

C. Rehabilitation of owner-occupied structures

Resources Invested: \$789,440 in CDBG funds, \$281,181 for lead remediation in single-family homes, \$178,476 in HOME funds, \$160,335 of BEDI funds, and \$8,437 EDI funds for the roof program.

Activities Undertaken: The Waterloo Community Development Board completed 36 units in fiscal year 2009 using CDBG, HOME, BEDI and Lead Grant funding. One roof was completed using EDI funds. The housing units were rehabilitated to meet the City of Waterloo’s Minimum Housing Code, which exceeds Housing Quality Standards. The maximum expense per unit has increased due to the number of the units in targeted neighborhoods and the additional requirements for lead-based paint safety practices. Income verification is done by third party documentation for this activity. A map is included indicating homes that were rehabilitated.

Geographic Distribution: Although the housing rehabilitation program is citywide, the bulk of the rehabilitation assistance was directed towards the Targeted Neighborhoods in Census Tract 7, 8, 18, and 19. The EDI roof program is specific for the Brownfields targeted neighborhood. Lead only rehabilitation is citywide on a housing unit that has a lead poisoned child.

Leveraging: See resources invested.

Households Assisted:

CDBG/Lead/HOME/BEDI funding

White	African-American	Hispanic	Female Head of Household	1-2 person Elderly	Single, non-elderly	2-4 person non-elderly	5+ person Non-Elderly
21	12	3	22	4	0	21	11

EDI funding-Roofs

White	African-American	Hispanic	Female Head of Household	1-2 person elderly	2-4 person non-elderly	Single, Non-elderly
1	0	0	1	0	0	1

D. Demolition of structures infeasible for rehabilitation and commercial buildings

Resources Invested: \$17,750 from EDI funds and \$186,161 from G.O. Bond funds.

Activities Undertaken: The Waterloo Community Development Board completed the demolition of seventeen housing units using General Obligation (G.O.) bonds. In addition, three commercial structures were demolished. General Obligation bond funds are local funds used when the demolition does not meet CDBG guidelines for use. Eleven of the housing units and the three garages were in the Neighborhood Revitalization Strategy Area. A committee of City staff was formed during fiscal year 2005 to address vacant and dilapidated properties and housing redevelopment initiatives. Income verification for use of Block Grant and EDI funds is done by self-certification or rehabilitation referrals.

Geographic Distribution: Neighborhood Revitalization Strategy Area and the Rath site.

Leveraging: \$186,161 General Obligation bond funds.

E. Emergency Repair for owner-occupied structures

Resources Invested: \$163,164 in CDBG funds and \$68,329 in Black Hawk County Gaming Commission (casino) funding.

Activities Undertaken: The Waterloo Community Development Board assisted 38 single-family, owner-occupied units with Emergency Repair Grants to help address housing deficiencies that were threats to the health and safety of these households. The Community Development Board set a limit of \$4,000 per unit. The homeowner must participate in the cost if it is above that amount. We also take advantage of our energy company's rebate program for furnaces and water heaters and use the rebates as program income. Income verification is done by third party documentation for this activity. Community Development was awarded a grant from the Black Hawk County Gaming

Commission for assistance with emergency repairs during fiscal year 2008, and finished using that allocation this year.

Geographic Distribution: Citywide.

Leveraging: \$32,631 in owner funds.
\$ 1,225 in MidAmerican Energy rebates.

Households Assisted:

White	African-American	Hispanic	Female Head of Household	1-2 person elderly	2-4 person non-elderly	5+ person non-elderly	Single Adult
25	11	2	27	18	8	3	9

Income-0-30% AMI	Income-31-50% AMI	Income-51-60% AMI	Income-61-80% AMI
7	17	2	12

F. Remove Lead-Based Paint from homes with children less than six years old

Estimated Target: The City has a benchmark of making 96 housing units lead safe during the 36-month HUD grant that was awarded in October 2007. Also, 115 risk assessments will be completed, 50 educational sessions done, and lead safe training provided during 12 scheduled sessions. The grant award is \$1,510,597 with CDBG and BEDI funds used to meet the match requirement. In August 2007, the City was awarded a two-year \$100,000 EPA Lead Grant for personnel, training, travel, blood testing, and clearance testing.

Resources invested: \$394,653 HUD Lead Grant funds and \$48,606 EPA Lead Grant funds.

Activities undertaken: Funding was used for personnel costs, marketing materials, risk assessments, training, and rehabilitation. During this fiscal year, 39 housing units were made lead safe using the Lead Grant funds. In addition, 29 lead assessments were completed, 17 outreach and education activities have taken place, and we held seven lead paint-training sessions for contractors, renters, and landlords. To date, we have maintained our required benchmarks for this grant with the exception of assessments. We began concentrating our rehab staff efforts on disaster housing in June. We anticipate not meeting our benchmarks during quarter 8. We have requested an amended time frame, and have been assured HUD will grant us that because of the disasters of 2008. Income verification is done by third party documentation for these activities.

Geographic distribution: Citywide with emphasis in the Brownfields and We Care/Unity Neighborhoods. The HUD Lead Grant requires the household to have

children less than six years old residing or spending a significant amount of time in the home.

G. Down Payment Assistance grants for purchase of single-family structures to first-time homeowners who have completed a home ownership-training program

Resources Invested: \$39,500 in Waterloo Housing Authority Section 8 Reserve funds.

Activities Undertaken: The Waterloo Housing Authority authorized the establishment of a fund for use for down payment assistance for first-time homebuyers. The families must have completed a homebuyer training program and be able to get a loan. Referrals can come from the Eastside Ministerial Alliance, community agencies, local civic and charitable organizations, lending institutions, realtors, or interested individuals. Seven households received grants at an average award of \$5,643 for down payment assistance during this period. Income verification is done by third party documentation for this activity.

Leveraging: \$624,794 in mortgages from lenders.

Households Assisted:

Single Female Head of Household	Single Male Head of Household	Married couple with children	White	African-American
7	0	0	2	5

Geographic Location: Citywide. These purchases were scattered citywide, but due to the limited financial resources of eligible grantees, they are located in low- to moderate-income neighborhoods.

H. Iowa Heartland Habitat for Humanity

Estimated Target: Acquisition and site preparation for lots for construction of new homes for income eligible households.

Resources Invested: \$116,447.91 of HOME CHDO funds.

Activities Undertaken: Property preparation or purchase of lots was done with HOME funds on thirteen parcels for new construction. Habitat completed one home and started eight others this fiscal year with their CHDO allocation. Income verification is done by third party documentation for this activity.

Geographic Location: The unit completed was on Mulberry Street. The units in progress are on Wyoming Street, Oneida Street, Thompson Street, and Solar Drive.

I. Infill Construction for income eligible households

Resources Invested: \$20,000 HOME funds.

Activities Undertaken: This funding was allocated to a private developer using a \$10,000 per unit incentive for new construction in established Waterloo neighborhoods. This project allows eligible clients to purchase new housing instead of existing housing in the CURA. This fiscal year, two housing units were funded. These units are in a low-income census tract. The developer is required to sell the homes to income eligible clients.

Geographic Location: 639 Mobile Street and 509 Anthony Street

Leveraging: Estimate of the developer contributing \$80,000 per unit.

J. Northeast Iowa Center for Independent Living

Resources Invested: \$2,537.70 CDBG funds.

Activities Undertaken: This funding was allocated to Northeast Iowa (formerly Black Hawk) Center for Independent Living to construct temporary handicap accessible ramps at single-family homes. Three ramps were completed this fiscal year. The Center was flooded out during the 2008 disasters, and had to relocate to a new facility. Ramp construction started again this spring. Any materials that are from ramps that have been removed will be recycled for future use. Three ramp removals were completed this fiscal year and materials will be recycled from all of them. The average cost per ramp has risen from \$1,000 to \$1,500 over the past year because of construction materials and labor costs. Income verification for this program is done by third party verification or self-certification.

Geographic Location: ramps are at 2141 E. 4th Street, 2213 ClearView Street and 411 Boston Street

Leveraging: Many volunteer hours are spent constructing the ramps.

K. New Construction housing in Cedar Falls

Resources invested: \$85,146.69 HOME funds (consortium allocation).

Activities Undertaken: Lot purchase and infrastructure for Habitat for Humanity homes. See City of Cedar Falls annual report for other information.

L. Operation Paintbrush

Resources Invested: \$0 CDBG funds.

Activities Undertaken: This funding was allocated to help homeowners paint the outside of their house. Whoever painted and scraped were required to complete our 8-hour Lead Safe Worker training. No one was interested in this program until June 2009. We have begun painting two units, and will continue using these funds until they are all expended. We are partnering with Iowa @ Work, an Iowa Work Force Development program. They are providing painters and we are providing the paint and a supervisor. Income verification for this program is done by third party verification.

Geographic Location: none completed in FY2009

Leveraging: Iowa @ Work will pay the painters they provide.

M. Operation Threshold Weatherization Plus Program

Resources Invested: \$14,933 CDBG funds.

Activities Undertaken: CDBG funds are used to assist eligible homeowners with weatherization projects. Funds are used to repair housing in order to leverage State Weatherization Assistance Program funds. The goal is to reduce heating and cooling costs, particularly for the elderly, disabled, and children. Operation Threshold also had to relocate to a new facility after the flooding of 2008. Although this program was slow to start the funding for this program is almost expended. Income verification for this program is done by third party verification.

Geographic Location: 170 Letsch Road, 510 Albany Street, 616 Kern Street, 324 Quincy Street, 817 Grant Avenue, 3662 W. 4th Street, and 508 Fowler Street.

Leveraging: Weatherization Assistance Program funds of \$47,085 from the Department of Energy, Low-Income Housing Energy Assistance Program, and utility companies.

White	African-American	Hispanic	Female Head of Household	1-2 person elderly	2-4 person non-elderly	5+ person non-elderly	Single Adult
4	2	1	5	3	2	1	1

Income-0-30% AMI	Income-31-50% AMI	Income-51-60% AMI	Income-61-80% AMI
4	2	1	0

PUBLIC HOUSING STRATEGY

Actions to improve public housing and resident initiatives

The City of Waterloo utilized the Capital Funds Program through HUD to make improvements to Ridgeway Towers. A Capital Fund Program Grant and American

Recovery and Reinvestment Act of 2009 of \$78,413 will be used to fund window replacement at Ridgeway Towers. The Housing Authority was designated as a high performer. The Waterloo Housing Authority affords the tenants an option of purchasing a home with their Section 8 assistance rather than renting. The home ownership option is limited to three percent of the total Section 8 voucher program budgeted by the Authority in any fiscal year, excluding disabled and elderly families. These programs enhance the ownership capabilities and strengthen home ownership in the City of Waterloo. They strongly support persons that have the desire to become economically self-sufficient and own their own home.

A. Section 8 Vouchers

Resources Invested: \$4,556,790 HUD Section 8 and Public Housing.

Activities Undertaken: Homeownership, down payment program, FSS program and maintain Section 8 vouchers, and the Money Smart Training-Teachers Partnership program.

Geographic Location: Citywide.

Households Assisted: 75 percent of the families served by the Section 8 voucher program must be in the Very Low Income category to be admitted to the Section 8 program. 1056 vouchers are authorized and 99.9% are submitted to PIC.

Tenants-Active and Inactive for fiscal year 2009

Hispanic	White	African-American	Asian	Male Head of Household	Female Head of Household
14	370	387	5	160	612

B. Support of application by the Waterloo Housing Authority for Capital Fund Program (CFP) funds for improvements to its 50 unit Public Housing elderly complex at 225 W. Ridgeway Avenue

Estimated Targets: 50 units.

Activities Undertaken: Operating Reserves and a grant for CFP are currently meeting the public housing needs of the elderly. The needs of the elderly public housing are currently being met through the use of Operating Reserves and a grant for CFP. The Housing Authority has received and implemented Capital Fund Program grants from HUD to provide services to assist elderly persons.

Resources Invested: \$47,485 operating subsidy.

Leveraging: N/A

Geographic Location: 225 W. Ridgeway Avenue.

Households Assisted:

Households Assisted	White	African-American	Other
50	48	1	1

C. Waterloo Housing Authority Voucher Homeownership Program

Activities Undertaken: The Authority uses its Section 8 vouchers for the program. The Program permits eligible participants in the Section 8 Housing Choice Voucher Program the option of purchasing a home with their Section 8 assistance rather than renting.

Resources Invested: Assisted 7 families this year.

Leveraging: N/A

Geographic location: Citywide.

BARRIERS TO AFFORDABLE HOUSING

Actions to eliminate barriers to affordable housing

The City of Waterloo provides an emergency repairs program for owner occupied housing units to enable low-income and elderly or disabled persons to maintain homeownership. HOME funding was awarded to Operation Threshold to provide a Tenant-Based Rental Assistance program. These funds are used to assist clients with rental deposits and 70 percent of the first months' rent to ease that burden.

A. Emergency repairs for owner occupied structures to enable low-income elderly or disabled persons to maintain homeownership

Activities Undertaken: See Housing Needs letter E. We assisted 18 elderly 1-2-person families this year.

B. Tenant-Based Rental Assistance

Resources invested: \$25,000 of HOME funds.

Activities Undertaken: Assist renters with deposit and 70 percent first month rent through Operation Threshold. Thirty-one households were served with this program using HOME and United Way funding. Assisted clients must be enrolled in Operation Threshold's FaDSS Program. The FaDSS Program promotes family self-sufficiency, protects children, and facilitates change that produces stable and thriving families. FaDSS strives to help families gain the knowledge and resources to become self-sufficient and build strong, safe families. TBRA meets these program goals by providing

rental assistance to families in housing crises. Operation Threshold partners with homeless shelters to assist those clients into rental units helping them move from homelessness into safe, sanitary rental units. Income verification is done by third party documentation for this activity.

Leveraging: \$6,250 of matching funds from Cedar Valley United Way.

Households Assisted	0-30% income level	30-50% income level	50-60% income level
31	17	24	0

African-American	White	Single parent	Two parents	Single, non-elderly	Elderly	Other
21	10	21	1	7	0	2

HOME/AMERICAN DREAM DOWN PAYMENT INITIATIVE

1. Assessment of relationship of HOME funds to goals and objectives

The use of HOME assistance has been well targeted to those low-income households most in need of housing improvement, including low-income tenants, and those making the transition from renter to owner. This fiscal year, we continue to provide new construction for low-income families. New developers are given a \$10,000 developer fee to build affordable homes in the CURA. Homeownership programs supported by HOME and local lenders have been very successful. The down payment assistance program had another successful year. There is a limited, but currently adequate, supply of houses in all price ranges. The number and types of households served is reported at each program evaluation.

2. HOME Match Report

The HOME match report HUD-40107-A is included in this report. Source documentation is kept in our office.

3. HOME MBE and WBE Report

Part III of HUD form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBE's) and Women's Business Enterprises (WBE's) is included in this report.

Outreach to minority- and women-owned businesses is provided by:

- Requiring mandatory contact by primary contractors who utilize a certified list of MBE and WBE contractors. These contractors often have dual certification with State of Iowa's Targeted Small Business Program.
- Occasionally sending courtesy project notices through memo or newsletters.
- Telephoning contacts.
- Coordinating with City Departments (Leisure Services, Streets, Airport, etc.) to ensure contact with and utilization of MBE and WBE firms on city-related projects pursuant to City's Contracting Policy.

- Relying on the City's Contracting Policy to set the tone and process for MBE and WBE participation even in non-City projects.

4. Assessments

The City has completed its annual monitoring inspections on various HOME funded projects completed in previous years. Monitoring will continue through the required time frame for any rental unit designated as HOME funded. Annual requirements include income verifications, marketing tools, insurance coverage, audit or financial report, and inspections of the properties. This year, inspections were completed at the Stokes Senior Housing complex (seven units), the Roosevelt Apartments (three units), and the Highland Park complex (seven units). All units passed their inspection.

HOMELESS

HOMELESS NEEDS AND HOMELESS PREVENTION ELEMENTS

Actions taken to prevent homelessness and address the needs of homeless persons

One of the activities that Community Development participates in is the Black Hawk County Homeless Coordinating Board (LHCB), which meets regularly to provide communication between the numerous agencies serving the needs of the homeless in Black Hawk County. The LHCB has 55 members representing 45 different agencies. Five board meetings and several subcommittee meetings were held this year. As a result of the review of homeless funding applications, and consistent with the housing needs of the Comprehensive Plan, the City had seven agencies that received Iowa Emergency Shelter Grant Program funding from the state and two agencies receive Homeless Shelter Operations Grant Program funds.

A. Improvements to existing transitional housing for single adults

Resources Invested:

State ESG	\$25,000 Operation Threshold-Homeless prevention and operations. \$14,000 YWCA for operations. \$10,000 Salvation Army (men) for operations. \$10,000 House of Hope for operations. \$10,000 Jesse Cosby Neighborhood Center for operations. \$18,000 Community Housing Initiatives for operations and essential services. \$12,000 Salvation Army Family Shelter for operations.
State HSOG	\$11,000 Operation Threshold (rural crisis) for operations and homeless prevention. \$15,000 Iowa Legal Aid-Waterloo for homeless prevention

Activities Undertaken: The State ESG and HSOG funding listed above is used to maintain and improve the homeless shelters and assist with legal counsel.

Geographic Distribution: The YWCA, House of Hope, and Salvation Army are in Census Tract 1. Jesse Cosby Center and Operation Threshold are in Census Tract 18. Community Housing Initiatives apartments are at sites scattered around the City.

Leveraging: N/A

Households Assisted: Characteristics reported by the State of Iowa.

B. Christian Community Development-House of Hope

Resources Invested: \$20,185 CDBG funds.

Activities Undertaken: CDBG funds were used to assist this transitional housing facility for women with children. Four layers of old shingles were removed and damaged plywood was replaced. Self-sealing asphalt shingles with a 30-year lifetime were installed. The painting is in progress and will be done by September 2009. The painting was done in accordance to federal lead paint removal safety techniques and guidelines. Income verification for this program is presumed low-income. Three households with a total of 12 individuals were assisted.

Geographic Location: 306-308 Walnut Street

EMERGENCY SHELTER GRANTS (ESG)

Reporting for ESG is done through the state of Iowa.

COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT

1. Assessment of relationship of CDBG funds to goals and objectives

The use of CDBG assistance has been well targeted to those low-moderate income households most in need of housing improvement, including current owners, disabled homeowners, and low income households that need some emergency assistance. Homeownership opportunities programs supported by CDBG have been very successful. Home Buyer Education funding, the availability of housing credit-counseling services, and the willingness of lenders have lead to an increase in homebuyers. There is a limited, but currently adequate, supply of houses in all price ranges.

2. Changes in Program Objectives

No programming changes were made in fiscal year 2009. The Community Development Board will review and evaluate the forgivable loan rehabilitation program to see if a low-interest loan program should be developed to increase the funding available for projects.

3. Assessment of efforts in carrying out planned actions

The City of Waterloo has pursued all the resources that the City indicated it would pursue. The City has provided the required certifications on consistency for programs that the City indicated it would support in a fair and impartial manner. The City herewith certifies that it did not hinder Consolidated Plan implementation by action or willful inaction.

To help meet the needs of Waterloo, many participants have been involved and partnerships have been formed. This includes the citizens of Waterloo as well as City government, non-profit organizations, businesses, and other organizations. Through the effective use of partnerships, the program will continue to expand. Once individuals, organizations and non-profits have been identified, their roles are merged with the comprehensive strategy. The strengths of each organization are heightened to meet the specific needs or demands of the clientele; therefore providing a greater pool of resources and programs.

4. Funds not used for national objectives

All CDBG and HOME funds met national objectives.

5. Anti-displacement and relocation

In conjunction with our Lead Grant, we have been allocated relocation funds while work is being done on the housing unit. Our temporary relocation policy financially assists the household and requires them to stay in a lead safe unit during this time. We have done temporary relocation this fiscal year for lead rehabilitation. No problems have occurred with any relocation. No displacement has occurred this fiscal year. The Community Development Board approved an Anti-Displacement and Relocation Policy for any CDBG, HOME or EDI projects that are applicable.

6. Low/moderate job activities

There were no economic development activities undertaken where jobs were made available.

7. Low/moderate limited clientele activities

Neighborhood Services is an element of the RENEW Waterloo Initiative. The four primary goals are a.) improve the City's responsiveness to neighborhood concerns, b.) empower Neighborhood Associations, c.) promote community participation and involvement, and d.) facilitate development in recognized neighborhoods. The Neighborhood Associations consist of clientele where at least 51% are low-moderate income. We also funded House of Hope this year, a women and children's transitional housing program where the clientele are presumed low income.

8. Program Income received

Any CDBG program income received from loan payments or pay-offs of forgivable loans was reported and used for the housing rehabilitation program. A total of \$32,240 was reported to HUD this fiscal year.

9. Prior period adjustments

During this period, a payment of \$37,708.88 was made to HUD for a project that was sold before the required time period. St. Mary's Villa received CDBG funds in fiscal year 2005 and was sold in 2008.

10. Loans and other receivables

Community Development recorded 35 five-year forgivable loans totaling \$1,090,910 and holds rehabilitation loans with a principal balance of \$14,642.32 that will be paid off as loan payments or pay offs when the property is sold. There are currently eight rehabilitation loans outstanding. No parcels or properties owned by Community Development were available for sale this fiscal year. We also recorded 49 forgivable loans for down payment assistance with a value of \$315,258. There are four agencies that have HOME loans with a balance of \$762,599 at the end of the fiscal year.

11. Lump sum agreements

Not applicable.

12. Housing Rehabilitation

The housing rehabilitation for the fiscal year is reported under the HOUSING title.

13. Neighborhood Revitalization Strategy

Community Development received approval for a Neighborhood Revitalization Strategy in fiscal year 2006. Our benchmarks and progress are as follows:

- Improve 100 housing units making them safe, decent, and sanitary per city code. In fiscal year 2009, one unit in the NRSA was rehabilitated to be safe, decent and sanitary for a total of 22 to date.
- Remove five deteriorated or dilapidated industrial or commercial structures. Two were demolished this year. The total to date is five-**goal achieved**.
- Decrease the unemployment rate for the entire NRSA by two percentage points to 10.5 percent. No information is available for this benchmark this year. This information will not be available until the new 2010 census data is available. We should have chosen a more data friendly benchmark to reflect this information.
- Demolish 20 dilapidated residential structures. This fiscal year, eleven dilapidated residential structures were demolished using CDBG and G.O. bond funding. The total to date is 40-**goal achieved**.
- Replace 20 removed residential structures with comparable housing. This year, we have had one developer finish construction of two units and Habitat for Humanity finished construction of one new unit. This total is at 24 units-**goal achieved**.

- Increase the number of jobs by 70 by assisting five new or existing businesses. This fiscal year, eight existing businesses increased positions. The Northeast Iowa Food Bank added an additional eight employees, Allstate Rental added two new positions, Cumulus Broadcasting added four positions, and KBBG, a local radio station added one. Last year, Crystal Ice and Powers Manufacturing lost positions because of the 2008 floods. This year, both have added those positions back, and increased employees by sixteen. Cumulative total for this benchmark is forty-nine new jobs.
- Increase public outreach and increase Community Policing by increasing the Citizen's Police Academy class size by ten participants per year, and increase the number of outreach efforts by ten to 166 per year. The Academy was not held this year because of low interest by Waterloo citizens. We will increase awareness this coming year. The number of community outreach talks and presentations for the fiscal year was 72. Of these, 50 were Neighborhood Association meetings and 22 were community speeches, lectures or special meetings.

A review shows that while we are meeting some benchmarks, we need to increase our effort to reach our benchmarks in other areas, especially in jobs and unemployment. We have had an increase in jobs in the NRSA during the past year. The two largest employers in the area have increased staff over what they had before the floods in June 2008.

A. Neighborhood Services

Resources Invested: \$72,910 CDBG funds.

Activities Undertaken: Neighborhood Services has continued to work with low-moderate income neighborhoods, non-profits, and the faith-based community to improve the quality of life and socioeconomic status of Waterloo's citizens. Two new neighborhood associations were formed in fiscal year 2009. One neighborhood association, Sans Souci Island, disbanded because the floods of 2008 destroyed the area. Through media, forums, neighborhood events and research, Waterloo's low-moderate income neighborhoods were provided with services that enhanced housing, reduced crime, informed on economic and infrastructure development, and improve relations between the public sector and residents. Census tract information by block is used to determine income eligibility for this activity.

Geographic Distribution: Citywide in the low-moderate income neighborhoods.

B. Waterloo Housing Partnership-Home Buyer Education and Coordinator

Resources Invested: \$67,003 CDBG funds.

Activities Undertaken: this program educated homebuyers and assisted them throughout the entire application and financing process. Income verification was done by self-certification for this activity.

Geographic Distribution: Citywide.

Households Assisted:

Single non-elderly	Female head of household	Male, head of household	Two-parent Household	Other
53	58	5	47	20
White	African-American	Hispanic	African-American & White	Other Multi-racial
121	47	10	3	2

<30% median income	31-50% median income	51-60% median income	61-80% median income	>80% median income
10	62	35	50	25

C. Neighborhood Revitalization Block Project

Estimated Target: Revitalize an entire block using up to \$300,000 for demolition and new construction of housing units.

Resources Invested: \$0 HOME funds.

Activities Undertaken: The Community Development Board allocated funds to this project in fiscal year 2005. This funding will be used to improve an entire block in the City’s proposed River Renaissance area. The block needs to be improved in order to sell the market rate condos that will be built along the river. The purchase of two housing units and two vacant lots was completed in June 2006 utilizing EDI funds. During fiscal year 2008, the units were demolished. New construction is anticipated in 2010.

Geographic Location: Census Tract 7. The area is the block between E. 8th Street and E. 9th Street and Lafayette and Sycamore Streets.

D. Consumer Credit Counseling Services

Resources Invested: \$2,920 CDBG funds.

Actions Undertaken: Consumer Credit Counseling Services taught financial literacy to clients of other non-profits through Hawkeye Community College truck driving school department, Family Services Women’s Self-Sufficiency group, Harvest Vineyard Church group (homeless or near homeless), Living with Less - Mortgage Services Workshop,

Black Hawk County Department of Corrections Re-Entry Program, and Iowa Heartland Habitat for Humanity. Iowa Heartland Habitat for Humanity referrals attended monthly courses. Budgeting sessions for Section 8 Housing's Self Sufficiency program are also taught by Consumer Credit Counseling Services. Outreach is through letters to churches, calls to non-profits, announcing classes at community meetings, radio announcements, community calendars and in news stories. At least 1,500 fliers were distributed. The Waterloo Neighborhood News letter and the John Deere e-News ran announcements on the class as well as CCCS's own newsletter. Any callers inquiring about the course were encouraged to bring friends and family.

Geographic Location: The classes were held at UNI-CUE, 800 Sycamore Street and other sites around Waterloo for convenience to the clients.

Single non-elderly	Female head of household	Male, head of household	Two-parent Household	Elderly	Other
33	26	50	22	2	12
White	African-American	Hispanic			
45	31	0			

<30% median income	31-50% median income	51-80% median income
6	17	49

ANTIPOVERTY STRATEGY

Actions taken to reduce the number of persons living below the poverty level

The Waterloo Housing Authority has been providing case management services to Section 8 assisted families since 1992. Families use the Family Self-Sufficiency (FSS) program to meet goals on a personal action plan developed by the case manager and themselves to become economically self-sufficient within five years. Waterloo Housing Authority sponsors Money Smart, Homeownership vouchers, C.A.S.H., and Homebuyer Education through the local lenders. The Money Smart program combines public education with counseling to help consumers become more money savvy about checking and savings accounts, loan to own programs, legitimate borrowing, and credit to debt management. Money Smart helps participants develop an economic plan. Homeownership vouchers assist a tenant by using their voucher to purchase a home.

NON-HOMELESS SPECIAL NEEDS

Actions taken to address special needs of persons that are not homeless but require supportive housing

Funding has been allocated in previous years to transitional housing units to support special needs of persons requiring that transition from homelessness to self-sufficiency.

Nehemiah House and the Pathways Junkman Knoebel site are transitional units for men that have been funded, and Christian Community Development House of Hope is a transitional unit for women and children. This fiscal year, we assisted House of Hope with the purchase and labor for painting and a new roof.

SPECIFIC HOPWA OBJECTIVES

Not applicable.

PUBLIC FACILITIES

The City of Waterloo has a 10-year rotating sidewalk repair program. This program was initiated by the City Council to ensure safe walkways for pedestrians. In fiscal year 2009, we were able to assist 11 eligible households with the replacement of 753 square feet of sidewalk. Funding was available to cover the entire cost of sidewalk repairs for those that were eligible. Income verification was done by third party documentation for this activity.

SECTION 108 LOAN/BEDI FUNDS

Section 108 Loan projects:

- River walk Loop (\$2,970,000)- about 65 percent of the River walk loop is completed. Completion of the project is scheduled for next year.
Through the activity of a River walk Loop, the Waterloo downtown area will have improved sustainability by enhancing a suitable living environment.
- Neighborhood Street Construction (\$2,075,000)-street construction is complete.
Through the activity of neighborhood street construction, a low income neighborhood now has improved sustainability by enhancing a suitable living environment.
- Loans for businesses (\$3,175,000)-No activity. At this time, conversations continue with Crystal Ice on their expansion project.

BEDI projects:

- River walk Loop (\$500,000)- because of extensive flooding in June 2008, the work on the river walk was suspended until the river level was safe for the workers. Work continues this summer on the project and about half of the work is completed to date.
Through the activity of a River walk Loop, the Waterloo downtown area will have improved sustainability by enhancing a suitable living environment.
- Neighborhood Street Construction (\$75,000)- street construction is complete.
Through the activity of neighborhood street construction, a low income neighborhood now has improved sustainability by enhancing a suitable living environment.
- Rath Site Preparation (\$425,000)- because the Rath administration building is now scheduled for renovation, these funds will not be used.
- Homeowner rehabilitation (\$500,000)- project is complete. Fourteen housing units were completed using BEDI rehabilitation funds.
Through the activity of owner occupied rehabilitation, fourteen housing units have improved availability/accessibility by enhancing decent housing.
- Lafayette Park renovation (\$500,000)- project is complete. A one-year anniversary celebration of the 2008 flood was held in Lafayette Park in May with Senator Grassley and Representative Braley present, as well as other local dignitaries.
Through the activity of park rehabilitation, the Rath Brownfields neighborhood has improved availability/accessibility by enhancing a suitable living environment.

Other funds

A. CDBG Supplemental funds for 2008 disasters- (\$1,892,723)

In December 2008, the City of Waterloo was awarded housing disaster funds through the Iowa Department of Economic Development (IDED). The funds will be used for homeowners, homebuyers, rental rehabilitation, new construction of single-family homes and interim mortgage assistance. Numbers of units completed and funds spent will continue to be reported to IDED.

B. Homelessness Prevention and Rapid Re-Housing Program (HPRP)- (\$573,881)

In May 2009, we submitted an application to HUD as a substantial amendment to our fiscal year 2009 Action Plan. This amendment outlined our use of HPRP funds that were awarded to us as an Entitlement City. The Community Development Board met and awarded the funds to Operation Threshold, our Community Action Agency. At June 30, we were awaiting approval from HUD and release of these funds.

C. CDBG-R- (\$373,140)

This plan for use of funds, awarded through the American Rapid Recovery Act of 2009, was also submitted as a substantial amendment to HUD in June 2009. Our amendment plans to use the funding for rehabilitation and emergency repairs with emphasis on roof replacement. These two activities will help preserve jobs and possibly add some new jobs. It will also preserve our housing stock and improve neighborhoods.

D. Jumpstart-State of Iowa- (\$1,504,775)

Allocation was made to the City of Waterloo for disaster assistance using State of Iowa funds. These funds were the initial start of our disaster assistance aid. After receiving our federal allocation, the Jumpstart funds available in the 2nd round are used to assist homeowners that do not meet the federal guidelines, and are less than 150 percent area median income.

E. Neighborhood Stabilization Program (NSP)-(\$850,000)

Waterloo applied for and received funds through the Iowa Department of Economic Development for NSP funding. This funding is part of the Housing and Economic Recovery Act (HERA). The activities for this program will get underway in fiscal year 2010.

F. Economic Development Initiative (EDI)-(\$2,500,000)

Various EDI grants for energy efficient improvements to homes, Chamberlain site demolition, and Cedar Valley TechWorks renovation.

