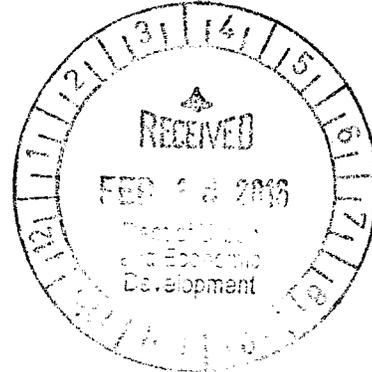




U.S. Department of Housing and Urban Development
Buffalo Office
465 Main Street
Buffalo, New York 14203-1780
(716) 551-5755

FEB 11 2016

Mr. Brian Thomas, AICP
Commissioner, Urban & Economic Development
City of Utica
City Hall, 1 Kennedy Plaza
Utica, NY 13502



Dear Mr. Thomas:

SUBJECT: 2013 and 2014 Annual Community Assessment, Community Development Block Grant Program, Emergency Solutions Grants Program, Home Investment Partnerships Program, City of Utica, New York

Enclosed please find HUD's Annual Community Assessment (ACA) for the City of Utica, New York. While continuing efforts are taken into consideration, this assessment was based primarily on the 2013 and 2014 program years, which covered the period of April 1, 2013 to March 31, 2015.

The Buffalo Office is providing you a 30-day comment opportunity prior to issuing the Program Year Letter (PYL) to the Chief Elected Official. The Chief Elected Official will be asked to make the document available to the public as established in your citizen participation plan. HUD will also make it available to citizens upon request.

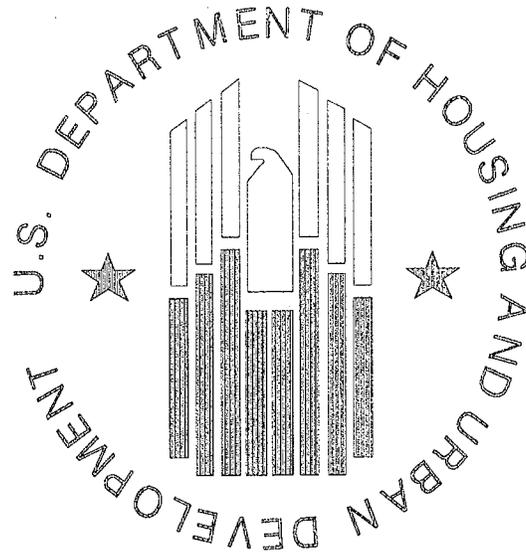
If you have any questions about this matter, please contact Karen Kist, Sr. CPD Representative, at 716-551-5755, extension 5816 or at Karen.a.kist@hud.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "W. T. O'Connell".

William T. O'Connell
Director
Community Planning and
Development Division

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



Annual Community Assessment Report

**Utica, NY
CDBG, HOME and ESG Programs
FY 2013 and 2014**

Period Reviewed: April 1, 2013 – March 31, 2015

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 strategic plan and its 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 report, records, maintained, findings from monitoring, 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 assessment in order to make a determination that a grantee has the continuing capacity to administer HUD programs.

Assessment Period: April 1, 2013 – March 31, 2015

| | | |
|-------------------------------|--|----------------------|
| Program: | Community Development Block Grant (CDBG) | |
| Funding Amounts: | FY 2013: \$2,294,959 | FY 2014: \$2,215,778 |
| Last On Site CDBG Monitoring: | 2015 | |
| Findings Identified: | 1 | |
| Open Findings: | 0-2015 * | |

(* Three findings remain open from HUD's FY 2012 Monitoring related to CDBG Program Compliance. The City has provided responses which remain under HUD review.)

| | | |
|-------------------------------|---------------------|--------------------|
| Program: | HOME | |
| Funding Amounts: | FY 2013: \$251,345* | FY 2014: \$488,585 |
| Last On Site HOME Monitoring: | 2014 | |
| Findings Identified: | 3 | |
| Open Findings: | 0 | |

(*FY 2013 HOME Allocation Amount Reduced by HUD \$264,946.45 due to the City's prior non-compliance with FY 2008 Expenditure and 2011 Commitment Requirements.)

| | | |
|------------------------------|--------------------|--------------------|
| Program: | ESG | |
| Funding Amounts: | FY 2013: \$159,365 | FY 2014: \$186,440 |
| Last On Site ESG Monitoring: | 2014 | |
| Findings Identified: | 0 | |
| Open Findings: | 0 | |

Contact Information for Further Information and Follow-Up

Karen Kist, CPD Representative 716-551-5755 extension 5816 / Karen.A.Kist@hud.gov

General Overview and Comments

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 CDBG, HOME and ESG Programs during the subject period. This report is presented in two sections. Section One provides a general overview related to compliance and accuracy specific to your planning and performance reporting. Section Two contains program specific feedback.

Section I: Consolidated Plan & Annual Action Plan: Determination of Consistency

Based upon review of CAPER narratives and required reports, HUD has determined the City followed its HUD-approved Consolidated Plan in the development and execution of its 2013 and 2014 Annual Action Plans, related goals and strategies.

The City of Utica's FY 2013/2014 CAPER reports were submitted to HUD in accordance with required deadline dates. The information contained in the reports was determined to be complete, comprehensive and documented compliance with key and primary components of the CDBG, HOME and ESG Programs. Public hearing requirements were also determined to be satisfied. The activities which were implemented during the course of the reporting periods were consistent with the activities which the City included in its Consolidated Plan. In addition, CDBG, HOME and ESG funds which were spent for the activities were consistent with the developed budgets.

Section 2: Formula Program Assessment

Program: Community Development Block Grant

Program Progress/Performance/Noteworthy Accomplishments

- The City's primary CDBG priorities include Infrastructure, Economic Development and provision of public services to seniors and income eligible youth.
- In 2013, the City awarded two new Economic Development Loans expected to create at least 18 new jobs.
- In 2014, the City awarded five new Economic Development Loans expected to create at least 12 new jobs.
- In 2013, the Johnson Park Outreach Drop-In Enrichment Center served 1,569 youth, all of which were reported to have households at or below 80% of median income.
- In 2014, the Boys & Girls Clubs of Mohawk Valley served 120 low income youth daily for after school programming at the Parkway Center. Programming is primarily designed for disadvantaged inner City at risk youth.
- As reported and described in the CAPERs, the CDBG activities undertaken in 2013 and 2014 appear eligible and meet a CDBG National Objective. This assessment is subject to future on-site on monitoring.

- In 2013, 82.13 % of the City's CDBG activities benefitted Low to Moderate Income Persons. In 2014, 86.87% of the City's CDBG activities benefitted Low to Moderate Income Persons.
- For Fiscal Years 2013 and 2014 the City met its CDBG Timeliness 1.5 Ratio Requirement.
- Planning and Administration: The CDBG program rules allow the City to spend up to 20% of their grant funds. During the 2013 and 2014 reporting periods, the City spent 20% and 19.99% on administrative expenditures, respectively, indicating compliance.
- Public Service: The CDBG program rules allow the City to spend up to 15% of their grant funds. During the 2013 and 2014 reporting periods, the City spent 5.46% and 8.44% in CDBG funds for public service expenditures, indicating compliance.
- The City's progress toward meeting its FY 2013 and 2014 CDBG Program goals and objectives has been determined to be at acceptable levels. This determination is based upon progress reported during the assessment period.

Program: HOME Investments Partnership Program
Program Progress/Performance/Noteworthy Accomplishments

- As reported and described in the CAPERs, the HOME activities undertaken in 2013 and 2014 appear eligible and compliant with applicable HOME Regulations. This assessment is subject to future on-site on monitoring.
- The City has fully implemented new HOME Policies and Procedures. These comprehensive policies have provided the City a concrete roadmap to keep its HOME Projects both compliant and effective.
- In 2013, the West Utica Homeownership Project resulted in the creation of seven homebuyer units in West Utica on the site of a former abandoned school.
- In 2014, 24 scattered site rental housing units were completed as a result of the Genesee Crossings Project.
- In 2014, the City began the Roosevelt Residences Rental Development Project in conjunction with the Utica Municipal Housing Authority. In total, 48 units of affordable housing will be created in the City's Cornhill Neighborhood as result of HOME funds and other leveraged financial support.
- The City's progress toward meeting its FY 2013 and 2014 HOME Program goals and objectives has been determined to be at acceptable levels. This determination is based upon progress reported during the assessment period.

Program: Emergency Solutions Grant
Program Progress/Performance/Noteworthy Accomplishments

- As reported and described in the CAPERs, the ESG activities undertaken in 2013 and 2014 appear eligible and compliant with applicable ESG Regulations. This assessment is subject to future on-site on monitoring.
- In 2013, ESG assistance was provided to Hall House, a domestic violence shelter operated by the YWCA of the Mohawk Valley. Hall House was able to shelter 107 adults and children.

- In 2013, the Johnson Park Center provided 106 homeless/at risk of homeless individuals with services to find, secure and maintain permanent housing.
- In 2014, ESG funds assisted the John Bosco House to assist and house 8 young homeless men between the ages of 16 and 21.
- In 2014, Evelyn’s House for Young Mothers and Babies served 37 homeless/at risk of homeless mothers and children with support services and emergency housing solutions.
- The City’s progress toward meeting its FY 2013 and 2014 ESG Program goals and objectives has been determined to be at acceptable levels. The City appears compliant with its ESG Match and has demonstrated satisfactory progress in meeting ESG Commitment requirements. However, the City is reminded of the requirement to expend ESG funds within 24 months of HUD award. The City should reference the following table and make those expenditures in accordance with all applicable ESG Regulations as soon as possible:

| ESG AWARD YEAR | Percentage Remaining to Commitment | Percentage Remaining to Expend | Amount Remaining to Expend |
|-----------------------|---|---------------------------------------|-----------------------------------|
| 2012 | 0% | 1.32% | \$3,022 |
| 2013 | 0% | 57.92% | \$92,306 |
| 2014 | 0% | 0.61% | \$1,130 |

Oversight of HUD Programs

- The City of Utica Department of Urban & Economic Development continues to be responsible for the oversight of the City’s CDBG, HOME and ESG Programs.
- The City has worked to improve the quality of its monitoring and evaluates all entities who implement CDBG, HOME and ESG activities on behalf of the City in order to assess performance and effectiveness.
- Subrecipients are monitored for compliance with CDBG, HOME and ESG regulations and for success in carrying out the goals and objectives defined in their contractual agreements with the City.
- The City is an active participant in the Utica/Rome/Oneida Madison County Continuum of Care.

Capacity

HUD acknowledges the hard work and dedicated effort the City, particularly the staff of the Department of Urban Development, has initiated to improve its overall capacity and effectiveness of its HUD funding. Based on the information that was available at the time of this review, HUD has determined that at this time the City is administering its CDBG, HOME and ESG Programs in a satisfactory manner has the continuing capacity to carry out the these HUD Programs.

The City’s commitment toward increasing its effectiveness resulted in HUD selecting the City for a Community Needs Assessment (CNA) in 2014. This CNA helped to drive the

development of a short term two-year Action Plan and identifying goals that were incorporated into the City's 2015-2019 Consolidated Plan.

Other Issues/Recommendations/Highlights

- FHEO: Fair Housing and Equal Opportunity Division has also evaluated the CAPER and verified that activities and expenditures during the assessment period are acceptable in terms of equal opportunity and fair housing.
- Citizen Participation: The City conducted the required hearings and public notification to comply with citizen participation requirements.
- In order to continue to strengthen its improved institutional structure, the City is encouraged to take advantage of the ongoing training and technical assistance opportunities that will be offered by HUD.
- The City should regularly monitor HUD's IDIS system for any required CDBG remediation plans. At this time, IDIS requires the City to submit explanations and remediation plans for 41 CDBG Activities, of which 25 are overdue and 9 pending at risk. Please note the following IDIS Activity IDs: 1292, 1230, 929, 1031, 1206, 1366, 1354, 1231, 1288, 1487, 403, 438, 523, 633, 991, 993, 1036, 1096, 1257, 1412, 1421, 1118, 1436, 1441, and 1440.

If you have any questions or would like to discuss the Assessment Report, please contact Karen Kist at 716-551-5755, extension 5816 or via email at Karen.A.Kist@hud.gov. If you disagree with this assessment, please respond in writing to the William T. O'Connell, Director, Community Planning & Development Division of Housing and Urban Development, 465 Main St., 2nd floor, Buffalo, NY 14203. Your response should identify any areas of disagreement and corrections or any additional comments you would like HUD to consider.