

U. S. Department of Housing and Urban Development



Community Planning and Development

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April 30, 2015

Honorable Steve Hogan
Mayor of Aurora
15151 E. Alameda Pkwy
Aurora, CO 80012

Dear Mayor Hogan:

Community Planning and Development (CPD) is striving to strengthen its working relationship with our State and local government partners to help achieve greater results in meeting the housing and community development needs of our low- and moderate-income customers. One of our important responsibilities in this ongoing process is the periodic assessment of your accomplishments and performance in the administration of funds provided by CPD and in meeting key program and Departmental objectives, as mandated by the statutes governing these programs.

This review examines information provided by the City of Aurora for its 2014 program year. In conducting this assessment, we examined your activities for consistency with the priorities and objectives outlined in the Consolidated Plan and Annual Action Plan. We used the information contained in the Consolidated Annual Performance and Evaluation Report (CAPER), the Line of Credit Control System (LOCCS) and the Integrated Disbursement Information System (IDIS), as well as any monitoring reviews conducted during the course of the program year.

Our assessment report that is enclosed covers the following areas:

- Meeting the statutory purposes of the programs.
- Consistency with strategies and goals in the Consolidated Plan and Annual Action Plan
- Fair Housing and Equal Opportunity
- Timeliness
- Match for HOME and ESG
- Caps on Obligations – CDBG, HOME, and ESG

Based upon our analysis and examination of the data available to us, we have determined that Aurora's overall progress has been more than satisfactory during the most recent program year. The City of Aurora appears to be administering its programs in a manner consistent with the applicable regulatory requirements. During the period of January 1, 2014 through December 31, 2014, Aurora has carried out its program substantially as described in its Consolidated Plan and has the continuing capacity to carry out its approved program in a timely manner. These conclusions on your overall program performance are based solely upon the information

available to this office and do not constitute a comprehensive evaluation or approval of specific activities.

You have the opportunity to provide us with your review and comment on the draft Annual Community Assessment. Please provide any review and comment within 30 days of the date of this letter. We may revise the Assessment after considering your views. If we do not receive any response by the end of the 30-day period, the draft Annual Community Assessment will become final without further notice.

The final Annual Community Assessment must be made readily available to the public. You can assist us in this regard by sharing the final Annual Community Assessment with the media, with a mailing list of interested persons, with members of your advisory committee, or with those who attended hearings or meetings. You must also provide a copy of the final Annual Community Assessment to your independent public auditor. HUD will make the final Annual Community Assessment available to the public upon request and may provide copies to interested citizens and groups.

If you have any questions, please do not hesitate to contact Mr. Christopher Day, Community Planning and Development Representative at 303-675-1656 or via email at Christopher.s.day@hud.gov.

Sincerely,



Edward Atencio
Acting Director

Enclosure

cc: Aaron Gagne, Director
Neighborhood Services Department
City of Aurora
9898 E. Colfax Avenue
Aurora, CO 80010

ANNUAL COMMUNITY ASSESSMENT

JURISDICTION - City of Aurora, Colorado

PROGRAM YEAR START – January 1

PERIOD COVERED BY ASSESSMENT – January 1, 2014 to December 31, 2014

The Department of Housing and Urban Development (HUD) is required to conduct an annual review of performance by grant recipients according to the provisions of the Housing and Community Development Act and the National Affordable Housing Act. We must determine that each recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. This is to report the results of our review of the 2014 program year performance.

Part I. Summary of Consolidated Plan/Action Plan Review and Assessment

The City of Aurora appears to be meeting the primary objectives of their entitlement grants, including the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships Program (HOME), the Neighborhood Stabilization Program and the Emergency Solutions Grant (ESG) Program, which is the development of viable urban communities by providing decent housing, a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income (LMI). Consistent with this primary objective, not less than 70 percent of the aggregate of the Federal block grant assistance shall be used for the support of activities that benefit persons of low- and moderate-income. According to the Integrated Disbursement and Information System (IDIS) PR26 report included with the Consolidated Annual Performance and Evaluation Report (CAPER), the city expended 71.34 percent of the CDBG funds on the LMI populations in the 2014 program year, meeting the primary purpose of the CDBG program.

Projects funded in the 2014 program year are consistent with strategies and goals in the Consolidated Plan and Annual Action Plan. The CAPER indicates that you are performing well in terms of meeting your goals and are to be congratulated. Areas in which goals were not met were satisfactorily explained in the CAPER narrative. In addition to reporting on current year outcomes and accomplishments, the CAPER reported on cumulative outcomes as they relate to the five year goals for a number of affordable housing priorities. The reporting of cumulative outcomes makes the CAPER more responsive to the consolidated plan requirements, as well as providing a clear indication of where the city is at in meeting their long term goals. We encourage the grantee to expand the cumulative reporting of outcomes for all priority goals. We are also pleased to see that IDIS contains the required performance data, containing the above information. The provision of an accurate PR 26 report and a detailed CAPER narrative informs the citizens, HUD, and Congress that Aurora is meeting the programs' primary purpose.

Part II. Summary of Grantee Performance

Community Development Block Grant

The regulations require that sixty days prior to the end of the grantee's current program year, the amount of entitlement grant funds available but undisbursed by the U.S. Treasury be not more than 1.5 times the entitlement grant amount for the current program year. The city had 1.35 grant years of funds remaining in the Line of Credit at the most recent timeliness test on November 2, 2014, therefore meeting the timeliness requirement. We congratulate the city on being timely and urge you to continue to meet this important measure of performance.

The city is limited to 20 percent of grant funds and current year's program income for administrative expenses. The city actually obligated 16.94 percent of grant funds for administration, within the allowable limit. Public service obligations are likewise limited to 15 percent of grant funds and prior year program income. The city obligated 13.86 percent of the funding to public service activities, which is also within the allowed limit.

The self-reported PR26, which is a financial summary of the grant year, contained discrepancies for both the administrative and public services percentages due to system generated program income amounts not corresponding to actual current and prior year program income amounts and obligations not being correctly calculated. Though the discrepancies did not result in the caps being exceeded in the 2014 program year, it is important that percentages are accurately calculated and reported to ensure compliance with regulatory requirements.

HOME Investment Partnerships

The HOME program requires that all funds be under a binding commitment to affordable housing within 24 months of grant agreement; that not less than 15 percent of such funds are reserved for investment only in housing to be developed, sponsored, or owned by community housing development organizations (CHDO); and HUD will reduce or recapture HOME funds in the HOME Investment Trust Fund Treasury account if not expended within 5 years of execution of the grant. According to available HOME Compliance Status Reports, Aurora's HOME program has met these requirements. Aurora has reserved 18.69 percent of HOME funds for use by CHDOs, which exceeds the required amount.

Administrative funds are limited to 10 percent of the grant and prior year program income. With \$132,860 committed, Aurora has not exceeded the 10 percent cap. The HOME Match Report and Minority and Women Business Enterprise (MBE/WBE) Report were submitted as part of the CAPER as well. Match commitments, as reported, exceeded the 2014 program year requirements.

The CAPER also indicates that monitoring of HOME units is conducted on a regular basis as established by city guidelines and HUD requirements. On-site inspections of affordable rental housing found a number compliance issues that were immediately addressed to meet local housing codes and other applicable regulations.

Emergency Solutions Grant

The Emergency Solutions Grant regulations at §576.100(b) have a 60 percent fiscal year expenditure cap for street outreach and emergency shelter activities or the total of 2010 grant funds the city committed for those homeless assistance activities. The city's ESG funds committed and expended in 2014 were 30.50% and 5.68% expended for rapid re-housing, 0% for homeless prevention, 54.00% committed and 28.59% expended for emergency shelters, 0% for HMIS data collection, and 7.50% committed and 7.28% expended for administration, per the PR91 report. Based on these amounts, in 2014 the city is staying within the 60 percent expenditure cap for street outreach and emergency shelter activities. The city is also below the 7.5 percent grant cap for administrative costs.

Aurora's matching requirement is equal to the amount of ESG funds provided by the HUD grant. The city has reported that the match requirement has been exceeded. ESG regulations also require that after the date HUD signs the grant agreement, the recipient has 24 months to expend the ESG funds. Records from IDIS and the Line of Credit Control System (LOCCS) indicate that this regulatory requirement has been met. We appreciate Aurora's commitment to meeting this requirement and providing important housing and homeless prevention services to your community.

Fair Housing and Equal Opportunity

The Office of Fair Housing and Equal Opportunity (FHEO) received your CAPER; however, they had not completed their review at the time of this assessment. A full analysis will be provided to your office by FHEO upon its completion.

Neighborhood Revitalization Strategy Area

Aurora has an approved Neighborhood Revitalization Strategy Area (NRSA) and as such, the aggregation of housing units is applicable. The Neighborhood Revitalization Strategy for 2010 - 2014 was renewed on March 5, 2010. The funding came from CDBG, HOME, and NSP sources. 24 CFR 570.208 (a) (3) and (d) (5) (ii) discuss the low- and moderate-income national objective criteria in an NRSA. It is important that reports provided to the community accurately reflect the impact of the CDBG program in the NRSA.

The city reported that it has generally met or exceeded the proposed goals in the NRSA for the program year and is commended on the progress made to promote economic development and provide access to affordable housing in the targeted area. However, as this was the final year of the current NRSA renewal period, a cumulative report evaluating the city's performance during that period compared to the approved benchmarks outlined in the strategy would have helped to highlight the progress made in the area.

Part III. HUD Evaluation and Conclusions

A. OVERALL EVALUATION

Overall, the City of Aurora appears to be making strides in providing affordable housing and addressing its community development needs. The city is to be commended for the diligence in utilizing IDIS to provide the required information about the programs. Please continue with the timely and accurate input of data into the system.

B. CONCLUSIONS AND FINDINGS

Community Planning and Development, Region VIII, has reviewed available facts and data pertaining to the performance of the City of Aurora for its Consolidated Plan and the formula Community Planning and Development Programs specified in that Plan, including the Community Development Block Grant, Neighborhood Stabilization Program, HOME Investment Partnership Act, and Emergency Solutions Grant during the 2014 program year. Based on the overall review record and the information summarized above, CPD makes the following findings:

1. During the period specified above, January 1, 2014 to December 31, 2014, the City of Aurora has carried out its program substantially as described in its Consolidated Plan as approved and amended.
2. The Consolidated Plan, as implemented, complies substantially with the requirements of applicable laws and regulations.
3. The City of Aurora has the continuing capacity to carry out its approved program in a timely manner.