

U. S. Department of Housing and Urban Development



Community Planning and Development

Region VIII, Denver
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May 6, 2016

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 2015 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, 2015 through December 31, 2015, 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,



Doug Carlson
Director

Enclosure

cc: Anita Burkhart, Manager
Community Development Division
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, 2015 to December 31, 2015

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 2015 program year performance, year one of its five-year Consolidated Plan.

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

The City of Aurora is meeting the primary objectives of their entitlement grants, including the Community Development Block Grant (CDBG) Program, the HOME Investment Partnerships Program (HOME), the Neighborhood Stabilization Program and the Emergency Solutions Grant (ESG) Program.

Projects funded in the 2015 program year are consistent with strategies and goals in the Consolidated Plan and Annual Action Plan. The CAPER indicates that the city is performing well in terms of meeting its goals and is congratulated on its progress. 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. 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 its long term goals. We are also pleased to see that IDIS contains the required performance data, containing the above information. The provision of an accurate PR26 report and a detailed CAPER narrative informs the citizens, HUD, and Congress that Aurora is meeting the programs' primary purposes.

Part II. Summary of Grantee Performance

Community Development Block Grant

CDBG has the following primary objectives: 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 97.49 percent of the CDBG funds on the LMI population in the 2015 program year. The city's multi-year certification period is 2013-2015. A review of the PR26 reports for these years indicate that the percent of LMI spending has been at least 70% in all three years, meeting the aggregate requirement and the primary purpose of the CDBG program

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, 2015, 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 16.67 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 13.48 percent of the funding to public service activities, which is also within the allowed limit.

HOME Investment Partnership Program

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 19.94 percent of HOME funds for use by CHDOs, which exceeds the required amount. The city should be aware that beginning with the FY 2015 HOME grants, HOME deadline requirements will no longer be calculated using a cumulative method. Rather compliance with HOME deadline requirements will be calculated based on each specific grant. Therefore, a PJ will be required to meet its 15 percent CHDO reservation requirement for each HOME grant from FY 2015 forward and a reduction in the CR subfund for any grant beginning with the FY 2015 grant would result in a deobligation of funds.

HOME Administrative funds are limited to 10 percent of the grant and prior year program income. With \$119,567 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. Match commitments reported were outside the most recently completed Federal fiscal year immediately preceding the end of the program year. The city has been notified and is revising the report to reflect the match contributions made during FY 2015. The match reported exceeded the 2015 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 all properties to be in compliance with local housing codes and other applicable regulations.

Emergency Solutions Grant

The Emergency Solutions Grant regulations at §576.100(b) have an expenditure cap for street outreach and emergency shelter activities, which is either 60 percent of fiscal year funds or the total of 2010 grant funds the city committed for those homeless assistance activities. The city's ESG funds committed and expended in 2015 were 32.5% for rapid re-housing, 54.00% committed and 27.20% expended for emergency shelters, and 6.00% committed and 0% expended for street outreach, per the PR91 report. Based on these amounts the city is staying within the 60 percent expenditure cap for street outreach and emergency shelter activities for 2015. The city also has not exceeded 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 the city's CAPER and has completed its review of Aurora's submission. Based on the fair housing and civil rights information submitted in this document, they have determined that Aurora is a *Moderate* risk. Specifically, FHEO reviewed the subject submission to determine the level of information demonstrating that the grantee is complying with the four applicable civil rights laws and implementing regulations. The city has also indicated that they will be submitting an updated Analysis of Impediments; however, it has not yet been received. More information can be found in the full report available on file at HUD and provided directly to the city. Thank you for continuing to address impediments and barriers to fair housing access in your community.

As a reminder, please start considering the process and preparation of your jurisdictions plan for compliance with the new Affirmatively Furthering Fair Housing regulations. For your program, the first plan will be due on **April 6, 2019**. We anticipate that training will start to be offered for that compliance in early 2016, and look forward to working closely with you to ensure a smooth process.

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 2015 - 2019 was renewed on June 25, 2015. 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.

The city provided information regarding activities that have taken place in the NRSA during the program year and have reported on progress made on activities against its benchmarks that are intended to support the overall goals of the NRSA. The city is reporting that it is generally meeting or exceeding the proposed benchmarks 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 target area. It is suggested that future reporting also include a discussion of how performance indicators relate to the six specific goals being supported, in order to better communicate the progress made and impact of the CDBG program in the target 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 Program, and Emergency Solutions Grant during the 2015 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, 2015 to December 31, 2015, 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.

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