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Agenda Item: ID#15-770 (2-G)

Date: 9/10/15



Supplemental Information Packet

Agenda Related Item(s) – ID#15-770 (2-G)

Contents of Supplement: Comments from Luisa Medina and Patience Milrod

Item(s)

WORKSHOP on the Consolidated Annual Performance and Evaluation Report (CAPER)

Supplemental Information:

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September 8, 2015

Hon. Oliver L. Baines III
City Council President
2300 Fresno Street
Fresno, California 93721

RE: Item ID#15-770
September 10, 2015 Council Agenda
*WORKSHOP on the Consolidated Annual Performance and Evaluation
Report (CAPER)*

Dear Council President Baines:

The PY 2014 CAPER will come before your Council this Thursday. We submit this comment letter for your consideration pursuant to 24 CFR section 91.105(d)(1). Pursuant to subsection (d)(2), staff will attach a “summary of these comments or views” to the final CAPER the City adopts and submits to HUD. We apologize for the late delivery; the public review draft was made available on Friday, September 4.

First, a request for clarification: we note the minimum 15-day comment period (subsection (d)(1)) will not have expired by the time of your meeting this Thursday. We would like to confirm that the Council agenda website describing this matter as an “Action Item” is in error, and that the “Workshop” description is accurate.

Second, for your convenience we summarize our concerns here only briefly. If it would be helpful, we are happy to meet with staff to discuss them in detail.

The HUD Guide (copy attached) stresses the need to provide “summary information so that HUD and citizens can **easily assess annual progress** made toward meeting longer term goals.” (Guide, p.1.) This CAPER **does not achieve this goal**. Some suggestions:

- For ease of comparison, set out requirements and performance for any given program on the same page. So, when the directive is to “Evaluate progress toward meeting the goals of providing affordable housing using CDBG funds, including the number and types of households served” (p. 47), the responsive data should immediately

follow the question. Instead, the report refers the reader back to a different section of the report, at an unspecified page and without any other guidance. The simplest solution here may be to attach a version of DARM's Federal Funding Dashboard (presented to Council on June 4, 2015), which specifies which program funds were expended, in what manner, under what requirements, and for what purposes.

- Ensure that for each HUD-funded project, the CAPER reports by income level the program beneficiaries who will be occupying the affordable units, or whose homes are being rehabilitated.
- Provide a per-unit figure for HUD investment in each affordable unit, which will enable the public to determine how efficiently HUD dollars are being deployed. We note that this CAPER reports per-unit HUD contributions ranging from less than \$15,000 (Sierra Gateway II—p. 10) to almost \$191,000 (Fulton West—p. 14).

Some important information appears to be **missing**. This includes:

- Geographic distribution and location of expenditures. The HUD Guide recommends that jurisdictions "include maps in describing the geographic distribution and location of investment (including areas of low-income and minority concentration)." (Guide, p. 1.) This CAPER is geo-explicit, for example, with respect to graffiti removal (pp. 21-22), but not for all programs.
- The Lowell-area project the Council approved in late June as a Substantial Amendment to the 2014-15 Annual Action Plan does not seem to be included in this CAPER.
- An updated CDBG Financial Summary Report (PR26) was not included, as required, with the Public Review Draft of the CAPER (see Guide, at p. 1). It would be important to get that out ASAP, so that there is adequate time for public comment prior to the September 30 adoption deadline.
- Except in one table (applicable only to Rehabilitation Program Beneficiaries—p. 16), this CAPER did not include data detailing the number of low-, very low-, and extremely low-income program beneficiaries of specific expenditures of federal dollars. We know this data is available (see Table B in each of the attached City HCD reports for 2013 and 2014), and request it be incorporated into this CAPER for improved clarity.

The CAPER includes **errors**. Some are trivial, but some are troubling. For example, it is difficult to harmonize the different figures provided for the Targeted Area Rehabilitation Program. At page 15, the CAPER reports \$1.5 million funded, \$0 expended, 0 units completed, and 18 units "in progress" (a term not explained). On the following page, the same program shows \$234,280 in HOME funds expended, though that table also shows no units completed. Comparing these figures to the June 4, 2015 Dashboard, we see as of that

· In this instance, the report informs the reader only that "*Income Level and Demographics of Program Beneficiaries can be found in Section II General Program Narratives.*" (p. 47) In fact, for the vast majority of Program Beneficiaries, no income level is provided anywhere.

date \$24,216 had been "invoiced," and only "one project is in the scope writing process of the construction phase" (also unexplained).

The CAPER seems to indicate **a lack of familiarity with new regulations**. For example, in the section related to Affirmatively Furthering Fair Housing, it lifts a good deal of the language from the PY 2013 CAPER without acknowledging that HUD's new AFFH regulation has resulted in dramatic changes in what HUD will be requiring of local jurisdictions. Of particular concern is that the current CAPER (pp. 30-38) offers no plan to "evaluate [the City's] present environment to assess fair housing issues such as segregation, conditions that restrict fair housing choice, and disparities in access to housing and opportunity, identify the factors that primarily contribute to the creation or perpetuation of fair housing issues, and establish fair housing priorities and goals." (AFFH Final Rule, p. 2)

Finally, to the extent the City is claiming it has accomplished any of the goals set out so long ago, in its 1999 Analysis of Impediments, such claims are questionable unless supported with data.

In light of the critical need in this City to ensure that all live in safe and decent "high opportunity neighborhoods," accurate and transparent reporting of HUD expenditures is important to us all. We look forward to seeing a final CAPER that fully achieves accuracy and transparency.

Thanking you for your kind attention to these matters, we remain,

Very truly yours,



Luisa Medina



Patience Milrod

Attachments: City of Fresno HCD Reports for FY 2013 and FY 2014
HUD Guide for Consolidated Plan Performance Report Narratives

cc (by email): Council Vice President Paul Caprioglio
Council Member Esmeralda Soria
Council Member Steve Brandau
Council Member Sal Quintero
Council Member Lee Brand
Council Member Clint Olivier
City Clerk Yvonne Spence
City Manager Bruce Rudd
DARM Director Jennifer Clark
