

2007

CONSOLIDATED ANNUAL

PERFORMANCE and EVALUATION

REPORT

(CAPER)

for the

CITY OF DENISON, TEXAS

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Table of Contents:

Part I:

General Narrative Statements

A.	Assessment of Five -Year Goals and Objectives	1
B.	Affirmatively Furthering Fair Housing	1
C.	Affordable Housing	2
D.	Continuum of Care	3
E.	Other Actions.....	3
F.	Leveraging Resources	4
G.	Citizen Comments	5
H.	Self-Evaluation	5

Part II:

Community Development Block Grant Narrative Statements

A.	Assess Relationship of CDBG Funds to Goals Identified in the Consolidated Plan	6
B.	Changes in Program Objectives	7
C.	Assessment of Efforts in Carrying out Actions Described in Action Plan	7
D.	Addressing National Objectives	7
E.	Displacement Caused by CDBG Activities	7
F.	Economic Development Activities	7

Part III:

HOME Funds Narrative	8
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Part IV:

HOPWA Funds Narrative	8
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Part V:

ESG Funds Narrative	8
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Part VI:

Public Participation Requirements	8
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Part I:

General Narrative Statements

A. Assessment of Five-Year Goals and Objectives

The City of Denison has addressed the goals and objectives as identified in the Consolidated Plan. The housing needs that were identified in the Plan were that of Owner-Occupied Housing Rehabilitation for the low to very-low income citizens. The City's Rehabilitation Program consists of two areas as identified in the priority needs of the Consolidated Plan. Those areas are minor rehabilitation (roof, plumbing, electrical, level/support and heating projects) and emergency rehab. The length of time a homeowner would wait to receive a minor rehab would be about two and a half years. With a waiting time as this, most other needs have received lower priority.

Public Service needs for the elderly were identified needs in the Consolidated Plan. The most urgent need identified was that of supportive services for the elderly. Elder Watch of the Texoma Area Agency on Aging receives CDBG funds to assist with the home repairs more quickly than the City can move the client through the waiting list.

B. Affirmatively Furthering Fair Housing

The City of Denison's Director of Community Development has been designated as the Fair Housing Officer. All calls pertaining to housing issues are directed to this office. Directions have been issued to the City's dispatchers on how to direct any call involving housing complaints. The Director of Community Development keeps a log of all calls received and the action taken.

An analysis of impediments to fair housing was conducted by the City of Denison in 1996. A consultant was contracted to conduct the analysis. There were a few impediments to fair housing choices identified in the plan. The consultant using Home Mortgage Disclosure Act (HMDA) data for the Metropolitan Statistical Area (MSA) of Denison, Sherman and Howe identified these impediments. With a MSA the size of Denison, Sherman and Howe, the information is not broken out by city. Focus groups in Denison identified that there was a shortage of affordable houses for the first time homebuyer, affordable housing in general, and many vacant lots and abandoned homes that have dilapidated. The demolition and clearance program in the City is addressing vacant lots and deteriorated structures.

C. Affordable Housing

The City of Denison's Minor Housing Rehabilitation program is for single-family owner-occupied housing and was the major emphasis for the affordable housing goal. The program is conducted on a first come, first served basis. All of the minor rehab projects were for extremely low-income households. The Minor/Emergency Rehab program had a goal of assisting 100 owner occupied low-income households. At the close of the program year, there were 42 owner occupied households assisted with the replacement of a roof, or new wiring in the house, or a new plumbing system installed. There is already a two and a half year waiting list for requests for work under the Minor Rehab program. Efforts to address "worst-case needs" were conducted under the Emergency Rehab program which has the same guidelines as the Minor Rehab program. There were 78 projects addressing an emergency situation where a pipe froze and broke shutting off the water supply to the home or the re-piping of gas systems after the gas company turned off the gas supply and removed the meter due to leaks in the system. Elderly persons have been assisted with the cooperation of the Area Agency on Aging-Elder Watch organization. Elder Watch provides assistance to persons over the age of 62. Elder Watch responds on an "as-needed" situation. If a person requests a wheel chair ramp, the City of Denison could not respond under the guidelines of the rehab program. Elder Watch can respond and use federal, state and local funds the organization receives. Elder Watch is also able to use those funds to leverage our CDBG funds when a low bid is over the \$4,500 maximum. The City will spend \$4,500 and Elder Watch will pay the balance of the bid. There were 19 elderly extremely low income households were assisted with repairs through this program. A total of 139 households were assisted this program year. The reason the difference between the stated goal and the number of completed projects is due to the fact that more emergency projects were completed at \$1,000 than minor rehabs at \$4,500.

An initiative outside of the Community Development Block Grant program started by Councilman Wilbert Malvern addresses affordable housing. The Councilman's program uses lots throughout the City that have been returned to the taxing jurisdictions for unpaid taxes and liens. With the cooperation of the other three taxing jurisdictions, title is conveyed to the City of Denison and the lots are donated to a builder and a buyer with the agreement that an affordable home will be constructed on the lot. The program is in the early stages and there have been 8 homes constructed. Clearing title from the other taxing jurisdictions continues to be the emphasis of the program.

The City's First Time Homebuyer's program assists with affordable home ownership. A goal of 18 households was set for the program year. The program was quickly accepted and then slowed down when it was stated that an inspection

of the proposed properties for lead-based paint would be required. A total of 19 low/moderate income households were granted up to \$2,500 to help pay closing costs. The difference between the projected goal and the actual accomplishment was due to an increase in the local housing market.

D. Continuum of Care

The Consolidated Plan identifies the needs of the homeless and the near homeless. The Grayson County Shelter, located in Denison, is the only full service shelter located between Dallas, Texas and Oklahoma City, Oklahoma. This facility will assist married couples, families with children and single males over the age of 55. The Shelter did not received CDBG funds during the program year. The City of Denison cooperated with the shelter in applying for other sources of funding.

The Salvation Army completed a facility between the cities of Denison and Sherman several years ago. This provided a place for the segment of the population that was not served by the Grayson County Shelter. The Salvation Army assisted with paying utility bills, rents and food certificates. There were no CDBG funds used by the Salvation Army during the program year.

Denison Helping Hands was formed to assist with the distribution of food to the needy residents inside the corporate city limits of Denison. The agency is a food pantry that will assist families with up to 65 pounds of food per visit with a maximum number of visits at 18 per calendar year. This agency depends on donations from the community and local churches. The Denison Helping received CDBG funds during the program year and had a goal of assisting 5,000 persons with food. The agency assisted 6,284 persons. The difference was greater because they were able to leverage with the CDBG funds and acquire additional food.

E. Other Actions

It is obvious that there are many more needs than funding sources available. There will remain a small portion of the population that will be underserved. Through the public hearing process and publishing notices, the Office of Community Development tries to inform that underserved population. By choice, some people decide that they do not want to be included in the process. With each public participation process, we will continue to address underserved areas.

The formulation of the 2005 Consolidated 5-Year Plan placed people and public service agencies together and continued a dialogue that began with the process of formulating the 1996 Consolidated Plan. This was a giant step in overcoming gaps in the institutional structure of the agencies that provide services in this region. The

Housing Authority of the City of Denison continues to perform modernization projects at their facilities. The quality of these units has improved over the past ten years to a point that the waiting lists are getting longer. The involvement of the residents in the decision-making process of the Housing Authority has proved to be a positive move in the management of the units.

The implemented lead-based paint regulations helped determined the direction of the Substantial Rehabilitation program for the City of Denison. The CDBG Steering Committee conducted Public Hearings to receive input from the citizens on the direction of the program. The Committee recommended to the City Council that the Substantial Rehab program be eliminated and efforts be placed on projects that will extend the useful life of the homes. These will be projects completed under the Minor/Emergency Rehab program.

The Office of Community Development ensures compliance with all program requirements by maintaining an open dialogue with the CPD personnel. The ability for CPD to monitor the City's program through the Integrated Disbursement and Information System (IDIS) assists with maintaining that compliance. The City of Denison monitors each of the subrecipients according to the Monitoring Plan found in the 2005 Consolidated Plan on page 81.

The condition of the local economy has more to do with reducing the number of persons living below poverty level than the CDBG program. The CDBG program has always assisted in local employment by using local contractors in the rehabilitation projects. The local contractors use local tradesmen and workers and the contractors make an effort to purchase materials for the projects from local merchants. The social service agencies that receive pass-through funding from the CDBG program perform tasks that allow the low/moderate income households to redirect their funds to other needs that could otherwise not be addressed.

F. Leveraging Resources

Community Development Block Grant funds were the principle source of revenue to meet the goals and objectives identified in the Consolidated Plan. The Elder Watch agency was able to use federal, state and local funds to leverage our CDBG funds to assist with rehab projects where the lowest bid was over the \$4,500 maximum. This enabled the City and the agency to assist more households.

The City of Denison began funding a demolition program for structures outside the low/moderate income areas of the City using funds for the General Fund Budget.

G. Citizens Comments

A Public Hearing was conducted by the CDBG Steering Committee on Monday, December 8, 2008 at 6:00 p.m. in the City of Denison Media Room at 430 West Chestnut. Notices for the meeting was posted on the bulletin board at City Hall on Wednesday, December 3, 2008, along with an agenda. There were no citizens present to comment on the program. A notice was also placed on the Public Access channel of the local cable system on December 3, 2008 announcing that comments will be received on the Consolidated Annual Performance and Evaluation Report for Fiscal Year 2007 until December 23, 2008. At that time, the CAPER will be mailed to the U. S. Department of Housing and Urban Development. If any comments are received during the comment period, the comments will be attached to the end of this report or submitted to HUD as a supplement.

H. Self-Evaluation

The U. S. Department of Housing and Urban Development has empowered local officials and citizens to perform a self-evaluation to determine if activities carried out during the program year are meeting the goals and objectives identified in the Consolidated Plan. The first question that is asked in the self-evaluation is: Are the activities and strategies making an impact in identified needs? The Housing Rehab program is making an impact to the identified needs. Although the waiting list continues to grow, the family that receives the rehab grant will be able to continue to stay in a structure that is now a safe, sanitary and decent home.

The next question asked in the process is: What indicators would best describe the results? The first indicator would have to be to check and see if a numerical goal was achieved. We establish numerical goals for Minor and Emergency Rehab. Since this activity involves more than 49% of the total grant, numerical goals can be easily checked. Even though the waiting lists for these activities continue to grow, we have met the goals established in the Action Plan with the funding available. It is more difficult to determine indicators that describe the results for Public Services. Most of the subrecipients of CDBG funds from the City of Denison use the monies for direct services with no money used for administration.

Another question asked in the self-evaluation is: What barriers may have a negative impact on fulfilling the strategies and overall vision? We have to say that the amount of the grant each year is a barrier to meeting the needs identified. That amount has decreased the past few years and the difficulty in locating funding to leverage the Federal amounts results in the number served being reduced. Barriers have been identified in the rehab program and the demolition activities that have an impact on fulfilling the strategies and overall vision. In a Statistical

Metropolitan Area this size, there is difficulty in attracting several qualified contractors to perform the rehab services and complete the demolition activities. When one contractor is the successful bidder on five rehab projects, the process is extended out for several months. A part of the problem in attracting additional contractors was the maximum amount established on projects. The maximum allowed for Minor Rehab is \$4,500. Efforts will continue to convince the City Council to raise those amounts. Demolition projects are slow because of the same reason. During the previous program years, the demolition process had almost come to a stop. Several attempts were made to attract additional contractors to bid on the work. Landfill and fuel charges continued to rise and we're to a point where those expenses were more than 70% of the demolition cost. Most of the demolition contractors concentrate their efforts on larger more profitable projects and use our program as filler during slower times. We will continue to explore methods to attract more qualified bidders.

Most of the grant programs are on schedule with most of the funds allocated being spent, with a few exceptions. Administration cost during the program year were less than budgeted due to the scope of work done outside CDBG activities by the Director.

The Finance Department and the Office of Community Development coordinate the draw down of funds in a timely manner. There are no substantial differences between the expenditures and the letter of credit disbursements.

All major goals are on target and there is no need for adjustments or improvements to the strategies and activities.

Part II:

Community Development Block Grant Narrative Statements

- A. The Consolidated Plan identified needs from agencies providing assistance in housing and other services in the City. The general belief of the Consolidated Plan Advisory Committee was that Community Development Block Grant funds were intended to provide safe, sanitary, decent housing for the low/moderate income citizens. The highest priority items were for owner-occupied single-family homes. The segment served was the very-low income households. This belief is reinforced by the waiting time an applicant has from the time they submit the application to the time work is started on the home. Minor Rehab, and Emergency Rehab made up over 49% of the total grant.

Other priorities identified were Senior and Frail Elderly services. With the number of households with occupants over the age of 62 in the City of Denison, opportunity for assistance to the elderly was great. A portion of the CDBG funds was distributed to Public Service agencies to carry out activities to assist these households.

B. Changes in Program Objectives

There were no changes in the program objectives this program year.

C. Assessment of Efforts in Carrying out Actions
Described in the Action Plan

The City of Denison Community Development's activities were carried out under the guide of the 2007 Action Plan. The Action Plan is the detailed description of the activities that will be conducted using CDBG funds that program year to follow the HUD approved Consolidated Plan. The City pursued all resources that were indicated it would pursue. The City of Denison and the Office of Community Development provided the requested certifications of consistency for HUD programs to agencies that were in compliance with the Consolidated Plan and who requested such certification.

The City did not hinder any Consolidated Plan implementation by action or willful inaction.

D. Addressing National Objectives

The City's use of CDBG funds was exclusively for two of the three national objectives. Expenditures were used for either low/moderate income household benefit, low/moderate income area benefit, or to eliminate slum and blight.

E. Displacement Caused by CDBG Activities

There was no permanent displacement caused by Community Development Block Grant activities.

F. Economic Development Activities

There were no economic development activities undertaken this program year.

Part III:

Home Fund Narrative

The City of Denison does not receive HOME Funds.

Part IV:

HOPWA Funds Narrative

The City of Denison does not receive HOPWA Funds

Part V:

ESG Funds Narrative

The City of Denison does not receive ESG Funds.

Part VI:

Public Participation

The Consolidated Annual Performance and Evaluation Report is available to the public for review and comments. At a minimum, the report must identify that the City of Denison received \$377,394 in Federal funds to address areas identified in the Consolidated Plan. The Plan must identify the geographic areas and locations of the expenditures. The general location for the expenditures is the corporate city limits of Denison. The plan identifies the expenditure of funds for public improvement projects by Census Tract and Block Group. This ensures that the project were in low/moderate income areas as identified by the Census Bureau and HUD. Rehab activities were done citywide and each household was verified as low/moderate income to be eligible for the rehab activity. The public was given notice that the performance report was available for inspection and review between the hours of 8:00 a.m. to 5:00 p.m. Monday thru Friday of usual business days. The report is available in the office of the City Clerk and the Office of Community Development. The report was posted on the City's web page at www.cityofdenison.com. This notice was placed on the bulletin board at City Hall and posted on the Public Access Channel of the local television cable network. This procedure is in accordance with the Public Participation Plan of the Office of Community Development of the City of Denison.