



# First Program Year CAPER

The CPMP First Consolidated Annual Performance and Evaluation Report includes Narrative Responses to CAPER questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

The grantee must submit an updated Financial Summary Report (PR26).

## GENERAL

### Executive Summary

The City of Farmington’s 2009 Annual Action Plan fiscal year ran from October 1, 2009 through September 30, 2010. The Grant amount for 2009 was \$430,751.

Table 1 below shows the approved projects and their budgets for the 2009 Annual Action Plan.

**Table 1**

2009 Annual Action Plan October 1, 2009 through September 30, 2010										
Eligible Activities	Action Plan Project	Outcome Objectives	National Objectives	Type of Project	2009 Budget	Percent of Total Grant	15% Public Service Cap	20% Admin Cap	Targeted Area Benefit	Low Mod Benefit
03D Youth Centers 570.201(c)	Youth centers - Construct a new youth center/day care to care for children in families at risk, or in transitional housing	SL-1	LMC	Capital Improvement	\$ 430,751					
					\$ 250,000	58.0%				\$ 250,000
Production of new rental units 570.201(m)	Provide money per unit reserved for low income rentals. New Capacity Construction	DH-2	LMH	Capital Improvement	\$ 65,000	15.1%				\$ 65,000
05L Child Care Services 570.201(e)	Child care for students at San Juan College for Employment Training	EO-1	LMC	Public Service	\$ 19,000	4.4%	\$ 19,000			\$ 19,000
05A Senior Services 570.201(e)	Home and Respite Care	SL-1	LMC	Public Service	\$ 20,000	4.6%	\$ 20,000			\$ 20,000
05 Public Services (General) 570.	English Proficiency, Parenting, Life Skills	EO-1	LMC	Public Service	\$ 25,000	5.8%	\$ 25,000			\$ 25,000
21A General Program Administration	Grant Management			Planning and Administrative	\$ 51,751	12.0%		\$ 51,751		
					\$ 430,751	100.0%	14.9%	12%	0%	100%

### General Questions

1. Assessment of the one-year goals and objectives:
  - a. Describe the accomplishments in attaining the goals and objectives for the reporting period.
    1. Transitional Youth Daycare Center – This project went through the Request for Proposal process (RFP), a project partner was selected, an agreement was created, and was ready for signature when the partner backed out and did not sign the agreement. After this, the project RFP was issued again but no other project partner was found. This was a significant setback in time and effort to the CDBG program. The \$250,000 for this project has been reallocated to the Downtown Façade and Streetscape project through the 2010 Annual Action Plan approval process.

2. Production of New Affordable Rental Units – The \$65,000 budgeted for this project in the 2009 Annual Action Plan was planned to be carried over and added to additional funds in the 2010 Annual Action Plan. The 2010 Annual Action Plan added an additional \$279,000 for a total of \$344,000. Since the adoption of the 2010 Annual Action Plan, CDBG Staff has published an RFP and selected a project partner. The agreement has been signed and the first invoice has been turned in for the purchase of the property.
3. Child Care Assistance – This project provides daycare assistance through a contract with the San Juan College Daycare Center to income qualified fulltime students. This program has been a great success. During the 2009 year, 23 families with 33 children were assisted with a total of 16,794.5 hours of day care assistance.
4. Elderly and Disabled Home Making Services – This project has been providing steady accomplishments while assisting the elderly. During the 2009 project year 25 clients were provided with 1,090 hours of service. Both Homemaking and Respite care was provided.
5. Public Service Classes – San Juan College was selected as a partner for this project. Three different classes are provided, Parenting, Life Skills, and English as a Second Language. The classes have been offered at the Sycamore Park Community Center which is located in a Targeted Low/Mod Neighborhood identified in the 2009 Consolidated Plan. During the 2009 project year, 197 people attended these three classes.

- b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.

Table 2 below shows budgeting and expenditures for all active CDBG projects. The columns include the 2009 budget, the total budget for active projects, total project drawdowns as of 9/30/2010, and the percent of total funds remaining. The CDBG National Objectives and Outcome Objectives for each project are shown. The definitions of the objectives are shown on Tables 2A and 2B below.

**Table 2**

2009 CAPER - Total Budget and Expenditure by Active Project								
Projects	2009 Budget	Total Amended Budget All Years	Total Project Drawdowns	Total Project Balance as of 9/30/2010	Percent of Total Project Funds Remaining	National Objectives	Outcome Objective	Notes
Pedestrian Transportation Infrastructure	\$ -	\$ 225,000	\$ 130,150	\$ 94,850	42.2%	LMA	SL-3	Prior Year Project
Transitional Housing Years 4 and 5	\$ -	\$ 129,963	\$ -	\$ 129,963	100.0%	LMC	DH-1	Prior Year Project
Transitional Daycare Center	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	100.0%	LMC	SL-1	Project Canceled
Production of New Affordable Rental Units	\$ 65,000	\$ 65,000	\$ -	\$ 65,000	100.0%	LMH	DH-2	Agreement Ready to Sign
Elderly and Disabled Homemaking Services	\$ 20,000	\$ 97,000	\$ 93,772	\$ 3,229	3.3%	LMC	SL-2	In Progress
Child Care Assistance San Juan College	\$ 19,000	\$ 90,000	\$ 77,108	\$ 12,892	14.3%	LMC	SL-2	In Progress
Public Services Classes	\$ 25,000	\$ 25,000	\$ 10,083	\$ 14,917	59.7%	LMC	EO-1	In Progress
Planning and Admin.	\$ 51,777	\$ 473,456	\$ 405,510	\$ 67,946	14.4%			
<b>Totals</b>	<b>\$ 430,777</b>	<b>\$ 1,355,419</b>	<b>\$ 716,623</b>	<b>\$ 638,796</b>	<b>47.1%</b>			
			Total Expenditures	Total Balance	Total % Remaining			

**Table 2A**

Outcome Objective Definitions			
	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

**Table 2B**

National Objective Definitions	
LMC	Low Moderate Income Clientele
LMA	Low Moderate Area
LMH	Low Moderate Housing
SBA	Blight Area
SBR	Blight Urban Renewal

Table 3 shows the 2009 project expenditures and budget by Outcome Objectives as defined by HUD and shown in Table 2A above. This table allows HUD to compile expenditures nationally in the nine types of outcome objectives for reporting to congress.

**Table 3**

2009 Project Expenditures by Outcome Objectives							
Projects	SL-1	SL-2	SL-3	DH-1	DH-2	DH-3	
Transitional Daycare Center				\$0			Expenditures
				\$250,000			Budget
Production of New Affordable Rental Units				0			Expenditures
				\$65,000			Budget
Elderly and Disabled Homemaking Services		\$17,316					Expenditures
		\$20,000					Budget
Child Care Assistance San Juan College		\$8,698					Expenditures
		\$19,000					Budget
Public Services Classes		\$10,083					Expenditures
		\$25,000					Budget
Total Expended		\$36,097		\$0			Expenditures
Total Budgeted		\$64,000		\$315,000			Budget
	SL-1	SL-2	SL-3	DH-1	DH-2	DH-3	

c. *If applicable, explain why progress was not made towards meeting the goals and objectives.*

1. Transitional Youth Daycare Center – This project went through the Request for Proposal process (RFP), a project partner was selected, an agreement was created, and was ready for signature when the partner backed out and did not sign the agreement. After this, the project RFP was issued again but no other project partner was found. This was a significant setback in time and effort to the CDBG program. The principal reason given by the service provider was a change in management at the national level and a lack of funds for the program funding.

After this setback, the project was canceled during the public hearings for the 2010 Annual Action Plan and the \$250,000 for this project has been reallocated to the Downtown Façade and Streetscape project.

2. Pedestrian Infrastructure – The remaining budget funds are from Years 4 and 5 of the first Consolidated Plan. There have been a number of delays for this project. First, the State Historic Preservation Office (SHPO) delayed the project to review the impacts of new sidewalks to the historic nature of the proposed neighborhoods. The second delay was the Federal Recovery project. Due to the administrative requirements of CDBG-R and the pressures to expend those funds quickly, the CDBG sidewalks were given a lower priority. The third major reason for delays in the sidewalk project was a 200-year storm event and significant rains, which occurred from July 25 to August 9, 2010. FEMA declared a flood disaster for our

community. In one location 2.25 inches of rain fell in 45 minutes almost meeting the 500-year storm event standard. Significant public and private flood damage occurred and the full attention of the Public Works Department was shifted to dealing with this crisis. Only this fall has the issue of CDBG sidewalks been brought up again. On November 19, 2010, CDBG staff met with the City Engineer and the City's Block to Block contractor to discuss the plans for this project. Work on the sidewalk has now begun and approximately 1,000 feet of sidewalk will be completed before the end of the year. In early January, project invoices should be turned in, the funds drawn down, and this project will be closed.

3. Transitional Housing – Even though both of the City of Farmington Consolidated Plans have identified transitional housing for a variety of special needs populations as one of the highest ranked needs in our community, CDBG staff has had significant difficulty finding a partner for this project. During Year 4, the City was not able to find a viable project for this activity. The Year 5 budget added additional funds to the Year 4 project to make this a more attractive activity. A request for proposals was published, proposals were reviewed, and a project partner selected. However, that partner was forced to back out of the project, citing a lack of program funds to run the facility. The funds budgeted for transitional housing are for construction only, not for operations. Late in 2010 a new partner for this project has been selected, Masada House, who wants to develop a women's alcohol treatment center. The City of Farmington, San Juan County, and CDBG staff has reviewed three different project locations for this activity. The current site received City Council approval on December 28, 2010. A closing for the purchase of the house is anticipated January 31, 2010.

2. *Describe the manner in which the recipient would change its program as a result of its experiences.*

Based upon the City's six years of experience with CDBG, the new 2009-2014 Consolidated Plan was approved with fewer projects overall to try to create larger, better funded, projects for the community. The 2010 Annual Action Plan followed this plan as well, by only establishing five projects.

A change in the overall program that CDBG staff would recommend to HUD is to change the 15% Maximum Public Service Cap to 30% or even 50% for CDBG entitlement communities with a budget of less than \$1,000,000. Public services are among the highest priority needs identified in our community, and HUD directives to end homelessness and assist other special needs populations can only be addressed with program funding. Our typical \$450,000 annual budget does not allow the City to significantly fund program operations. The difficulty in developing the transitional housing project has been directly related to finding funding for the program operations. We can build buildings but the public service providers in our community can not afford to run the programs in them even when given a free building.

- 3. *Affirmatively Furthering Fair Housing:*
  - a. *Provide a summary of impediments to fair housing choice.*

The City of Farmington plans to publish a new Analysis of Impediments to Fair Housing report (AI) in January or February of 2011. A contractor has been selected to assist with the AI by producing a new survey, conducting phone survey calls, and writing an analysis of the survey results. CDBG Staff will disseminate the survey to public service providers, public service recipients', and to stake holders.

What follows is impediment data from the prior AI and then some preliminary data obtained for the upcoming AI 2011 report.

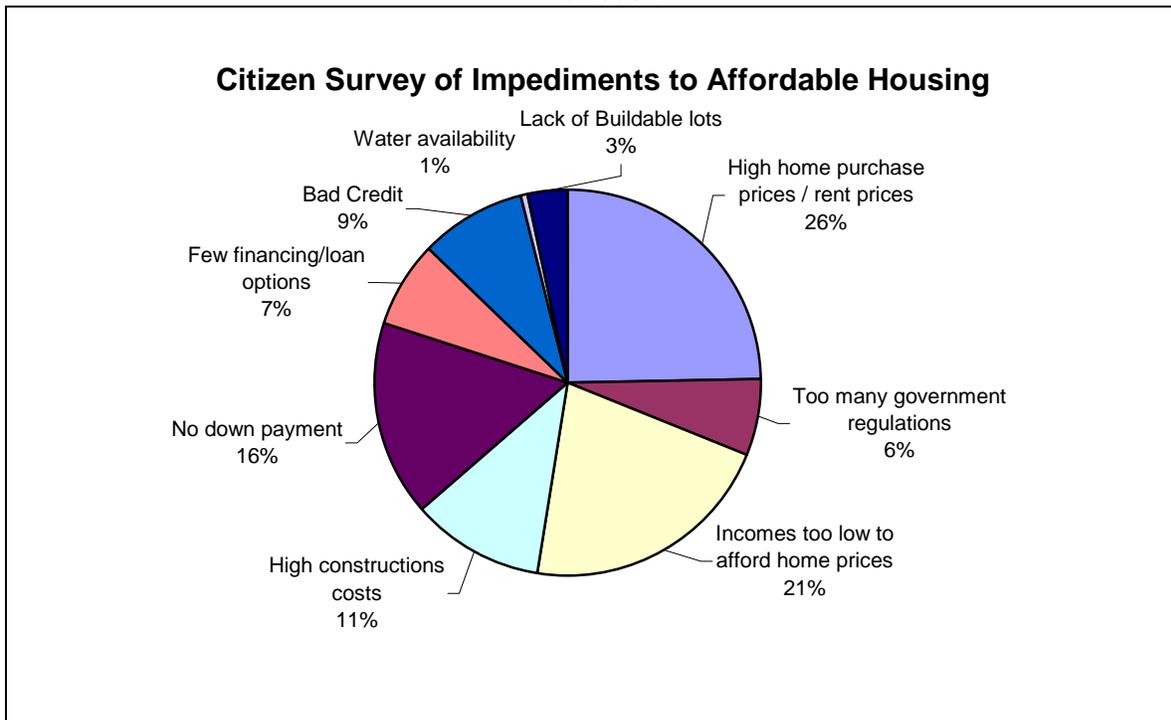
1. Prior AI Data

In March 28, 2006, the City of Farmington CDBG staff published an update to its Analysis of Impediments to Fair Housing report (AI). This addendum to the AI addresses the fair housing issues raised by the recently released Farmington Report: Civil Rights for Native Americans 30 Years Later, by the Civil Rights Commission.

A survey was conducted for the AI and a key question was: What are the biggest obstacles to obtaining an affordably priced house? The answers are depicted on Chart 1 below.

The major impediments to an affordably priced house are related to household economics. Only 6% of the responses indicated government regulations as a barrier to affordable housing.

Chart 1



The following survey results are areas that the City of Farmington can try to address to remove barriers to affordable housing:

- “Too many government regulations” is a vague or general complaint cited by a low percentage of respondents. The City of Farmington has developed its Unified Development Code (UDC) to update the zoning code and subdivision regulations developed in 1969. The UDC does not decrease the number of rules but it does put all of the codes in a single document, which is more user-friendly. There was significant public input from key person interviews, stakeholder meetings, and public meetings, so the public helped shape the new regulations.
- Only 3% of the respondents cited the lack of buildable lots, but land availability is an issue in Farmington. The Navajo Reservation, State, and Federal BLM properties surround the City of Farmington. One solution may be for the City to work with the BLM and State to secure the release of public property specifically for the development of affordable housing.
- Few financing/loan options and bad credit accounted for 16% of the responses. Homebuyer education and credit counseling are potential projects that could address this need.

The responses to the question “How should the City of Farmington encourage affordable housing?” were:

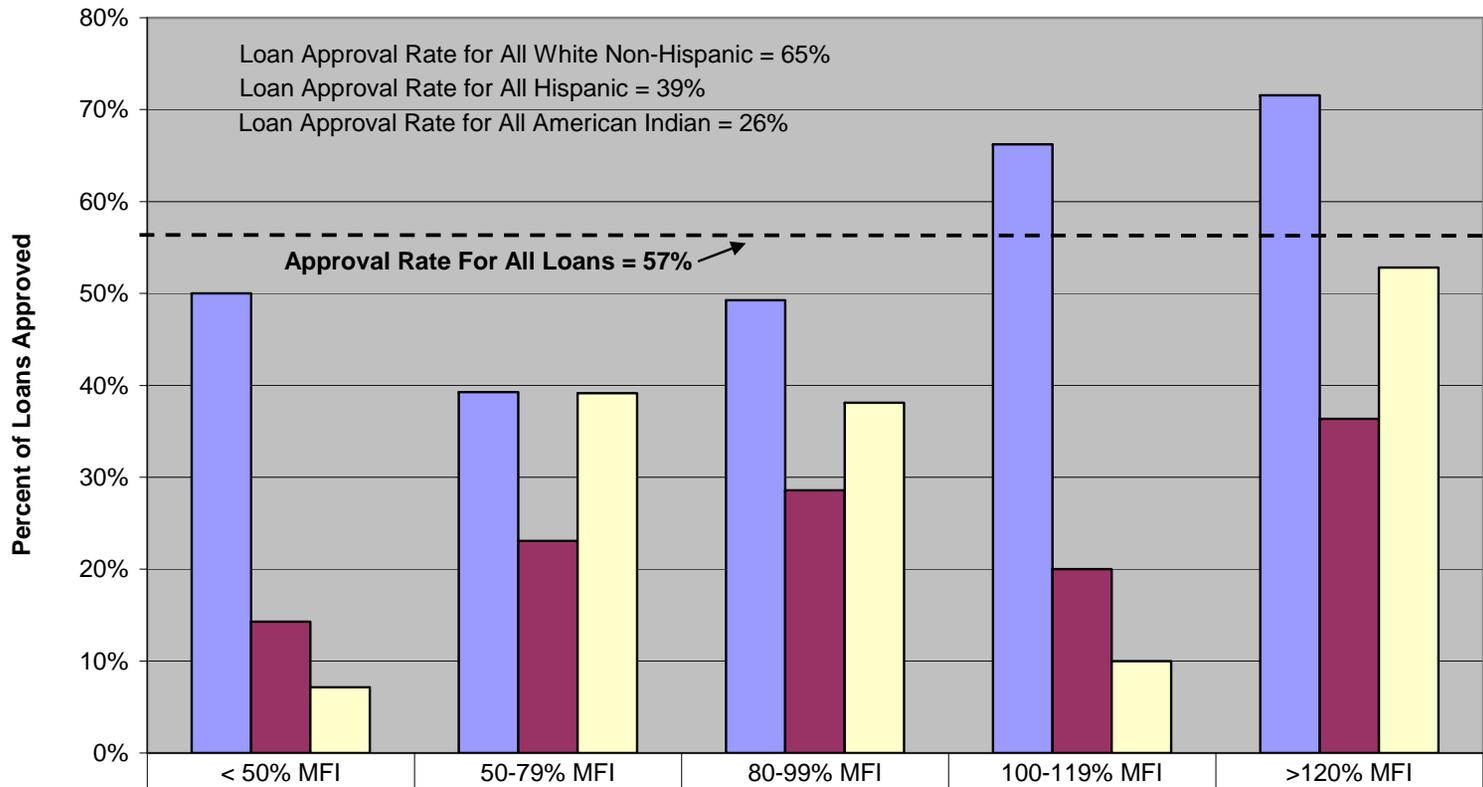
- 19% - faster permits approved to lower costs of home;
- 15% - improvements (City subsidies) of city road, sewer, and water;
- 14% - provide smaller lots to lower cost of homes; and
- 14% - increase City land area available for building.

## 2. New 2011 AI Data

Data has been gathered from the Federal Financial Institutions Examination Council (FFIEC), which is responsible for facilitating public access to data that depository institutions must disclose under the Home Mortgage Disclosure Act of 1975 (HMDA). CDBG Staff has prepared a sample of this data to include in this 2009 CAPER. Chart 2 below depicts loan approval rates by race and income and Chart 3 below depicts reasons for loan denials broken down by race. There will be other charts prepared and an analysis of this data in the upcoming 2011 AI.

Chart 2

**2008 Loan Approval Rate by Race and Income**  
for Conventional Home purchase Loans, 1-4 Family, and Manufactured Homes



	< 50% MFI	50-79% MFI	80-99% MFI	100-119% MFI	>120% MFI
White Non-Hispanic	50%	39%	49%	66%	72%
American Indian	14%	23%	29%	20%	36%
Hispanic	7%	39%	38%	10%	53%

Source: Home Mortgage Act - <http://www.ffiec.gov/hmdaadwebreport/AggTableList.aspx>

Chart 2

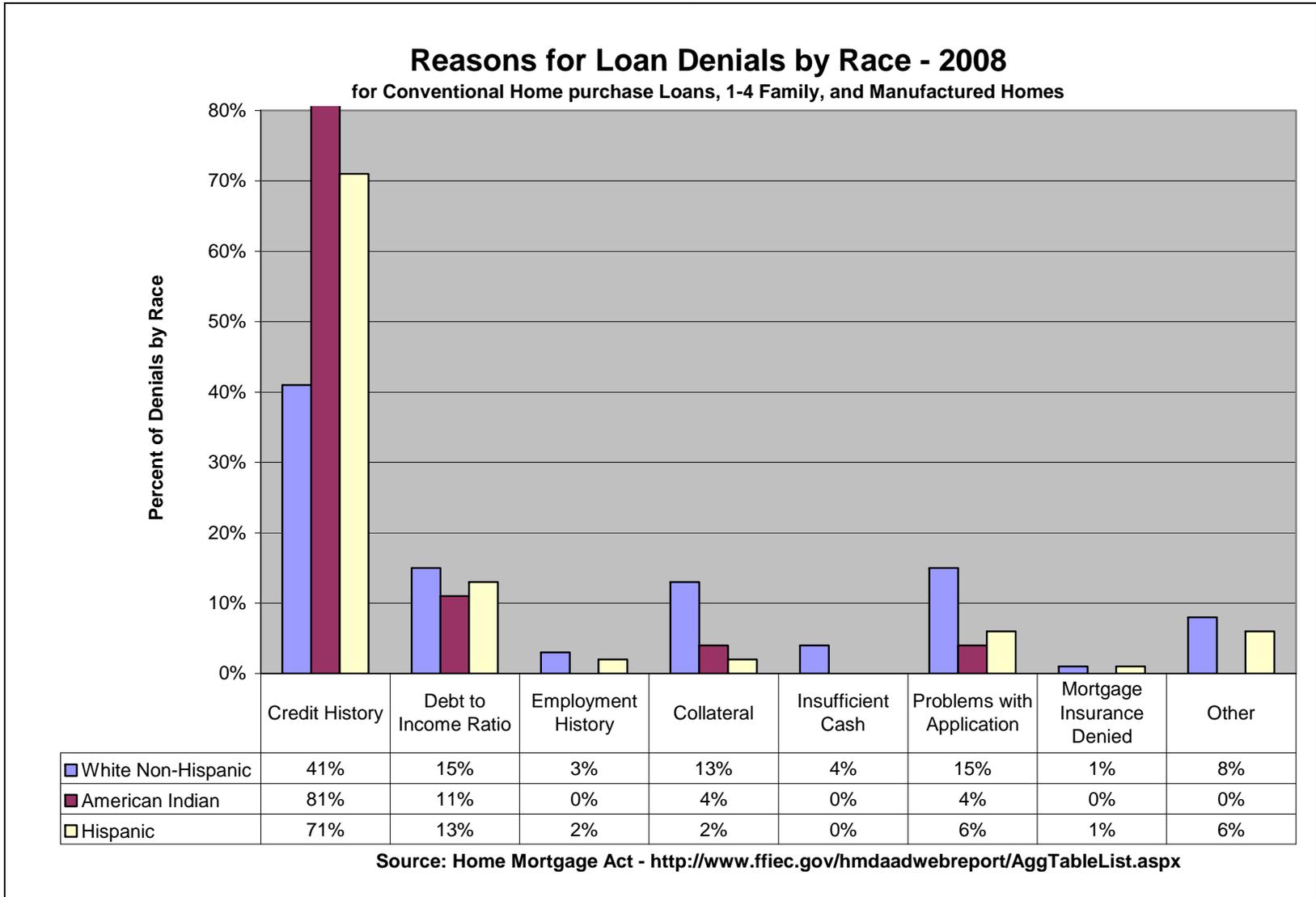
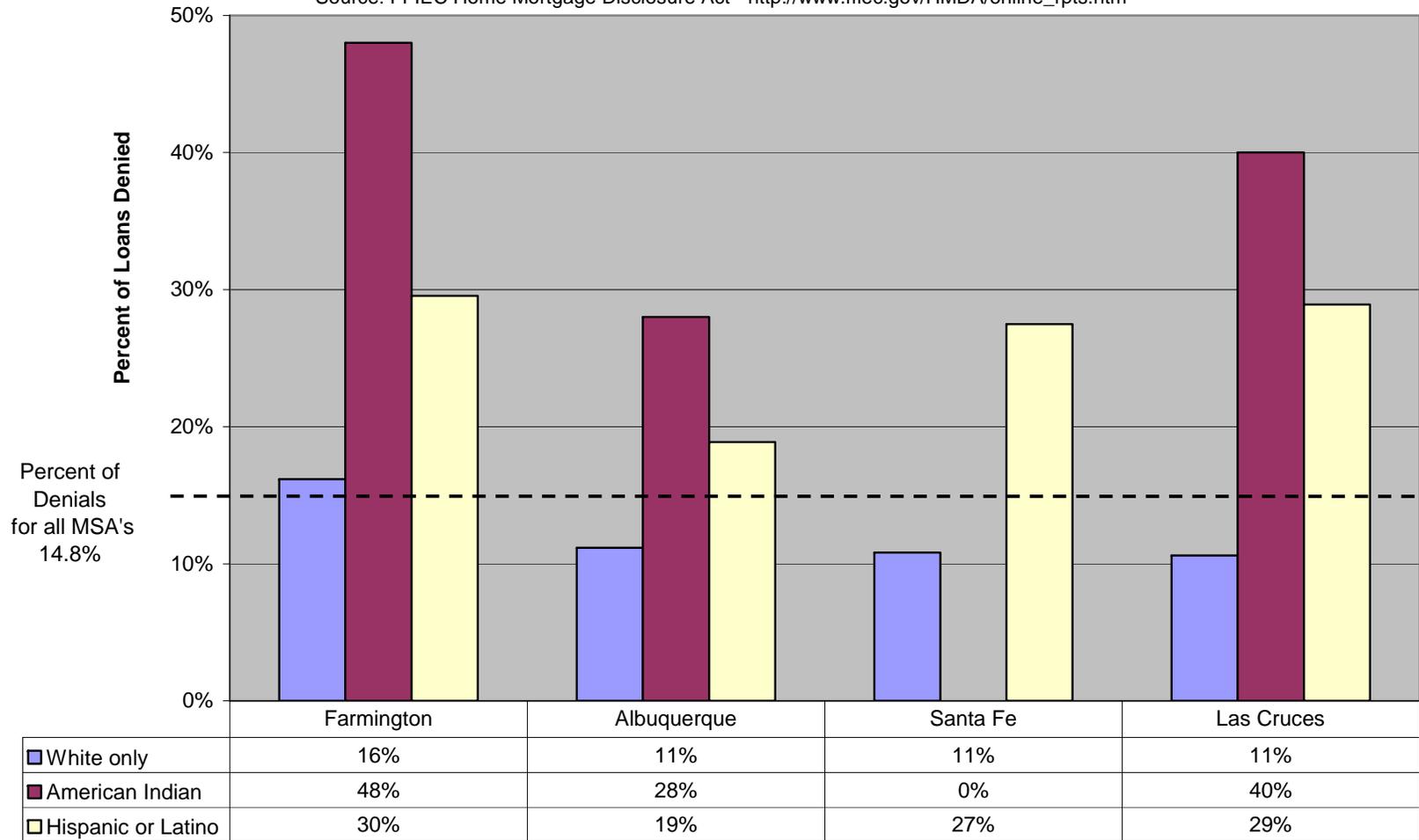


Chart 3

**Comparison of New Mexico MSA's  
Percent of Loans Denied by Race 2009**

Source: FFIEC Home Mortgage Disclosure Act - [http://www.ffiec.gov/HMDA/online\\_rpts.htm](http://www.ffiec.gov/HMDA/online_rpts.htm)



In July 2009 the City of Farmington appointed nine commission members to the new Community Relations Commission. Document 1 below is a letter from the Assistant City Manager describing the commission and the complaints that were received and reviewed in the two first years.

**Document 1**



The State of New Mexico Mortgage Finance Authority (MFA) recently completed the State Consolidated Plan and AI. During that AI process a community meeting was held in Farmington. The following Exhibit V-2 is an excerpt from a public forum held by the MFA in Farmington.

Exhibit V-2.  
 Top Housing, Community Development, and Fair Housing Needs — Farmington

<b>Are people discriminated against when trying to find housing in your community?</b>
<b>What happens?</b>
<b>Are there other barriers that prevent people from finding the housing they need?</b>
Discrimination is based on familial status
Landlords won't rent to women with history of domestic violence
Predatory lending is a barrier
Source: MFA Consolidated Plan Forums

*b. Identify actions taken to overcome effects of impediments identified.*

During the 2009 Action Plan year, Planning Staff has been managing the development of the new Affordable Housing Strategic Plan. This plan has built upon the Housing Affordability and Housing Needs Assessment reports prepared by CDBG Staff for the 2009 Consolidated Plan. After adoption of the strategic plan, the City plans to begin working on an Affordable Housing Ordinance.

A new project has been undertaken that specifically addresses a key impediment to fair housing in this community, which is affordability. The New Affordable Rental project has gone through the RFP process, a contractor has been selected, and on December 9, 2010 the project agreement was signed. This project will develop seven new rental units with a mix of 2, 3, and 4 bedroom units. The contractor will sign an agreement with the City that will guarantee the use of the units for 15 years for families who earn 50% of the Median Family Income (MFI).

*4. Describe Other Actions in the Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.*

Transitional Youth Daycare Center – This project was planned to assist children and their families who were homeless or living in a transitional care setting. Unfortunately this project was canceled because CDBG Staff was unable to find a partner who could commit to the program expenses.

Production of New Affordable Rental Units – By requiring, in the RFP process, a mix of 3 and 4 bedroom units be developed, staff attempted to address the needs of larger low income families and avoid overcrowding.

Child Care Assistance – Young families’ disproportionately suffer a higher percentage of poverty. To address this need this project has provided daycare assistance for low income families who are attending San Juan College and trying to improve themselves.

Elderly and Disabled Home Making Services – This project addresses the needs of the frail elderly by giving them a helping hand to so they can live in their own homes longer. The home care recipients have a service provider visit them for 2 hours each week and the respite care recipients have a service provider visit for 6 hours each week. The assistance provided varies and could be cooking, cleaning, errands, or driving.

Public Service Classes – The three different classes provided are, Parenting, Life Skills, and English as a Second Language. These three classes provide critical basic adult education skills to low income persons to help give them a boost. These classes are considered an Economic Opportunity objective outcome for CDBG reporting, but more importantly the individuals who take these classes will have a chance to improve their chances and the chances of their children.

5. *Leveraging Resources*

a. *Identify progress in obtaining “other” public and private resources to address needs.*

The City of Farmington has been working on an Affordable Housing Strategic Plan as described in 3. b. above. When completed then other sources of funding for affordable housing may be available to the City from the MFA.

The City of Farmington supports Community Service Agencies through service contracts to benefit the community. Table 2 details the Farmington fiscal year 2009 proposed budget for Community Services.

**Table 4**

<b>City of Farmington Proposed 2009 Community Service Budget</b>	
Total Behavioral Health	\$ 100,000
4 Winds Recovery Center	\$ 273,600
The Roof Operations Contract	\$ 57,000
Family Crisis Center	\$ 12,000
Path	\$ 15,000
Childhaven	\$ 24,000
North West NM Seniors	\$ 1,400
PMS - Shield/Roundtree	\$ 20,000
ECHO Grant Pass Thru	\$ 200,000
Safe Communities	\$ 80,000
Total	\$ 783,000

*b. How Federal resources from HUD leveraged other public and private resources.*

None of the 2009 CDBG projects specifically leveraged any other additional Federal or private funds.

## **Managing the Process**

1. *Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.*

A detailed IDIS drawdown and expenditure spreadsheet is used with the City Accounting offices to ensure accurate financial record keeping. Staff has met with the project contractors and monitored their projects, finances, and client files with both informal conversations and invoice review and with a formal on-site monitoring.

This year the City's CDBG program received a thorough HUD Monitoring Visit and had a number of findings and concerns. Some were from new enforcement directives such as HUD Section 3 and Fair Housing requirements. Others were due to some errors in data entry in IDIS and due to the need to improve the written procedures for the program. All of the findings and concerns were satisfactorily addressed and a number of new procedures were put in place, for monitoring, audit review, and quarterly report timeliness.

## **Citizen Participation**

1. *Provide a summary of citizen comments.*

All applicable citizen participation requirements were met or exceeded to create the 2009 CAPER. A public hearing was held with the City Council on December 28, 2010 for adoption by Resolution.

The opportunity for language, hearing, and accessibility assistance was part of the public notification and the 2009 CAPER was available for public review at the Public Library, City Clerk's Office, Community Development Department, and was posted on the City web page.

- A copy of the Adopted Resolution and the signed minutes from the public hearing will be provided when available from the City Clerk.
- The Public hearing advertisement is attached at the end of this report.

Neither during the public hearing nor during the public review time period were any comments received, verbal or in writing.

2. *In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.*

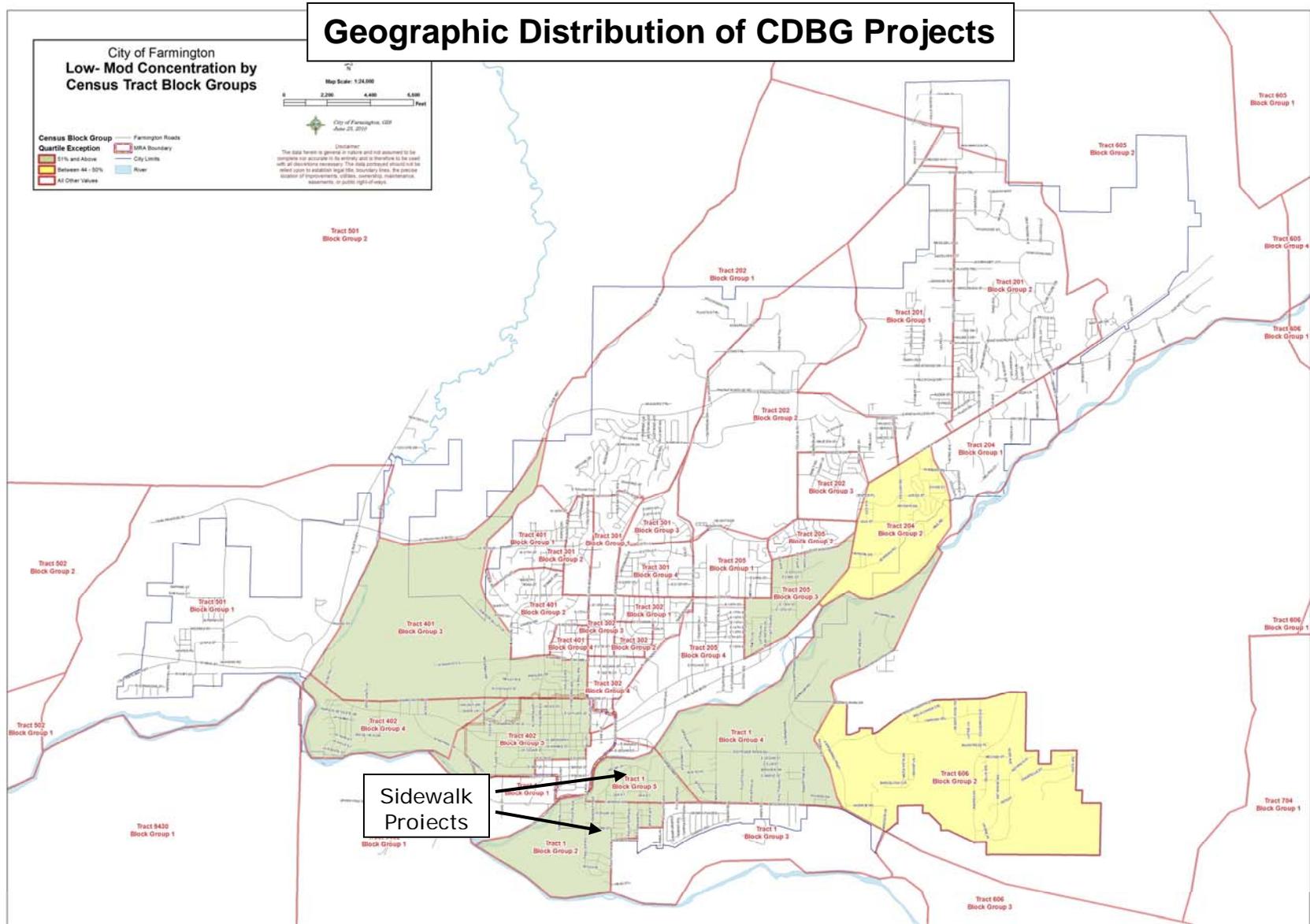
### **Geographic Distribution of Funds**

Table 5 below shows the 2009 expenditures and budget of CDBG 5 broken down by Community Wide and Targeted Neighborhoods. Projects that are Community wide are open to everyone in the City limits though most have income limitations (Low-Mod Clientele, LMC). For example, the Daycare Assistance project is not location specific but open to qualifying student parents in the community. The provided classes are open to the public and are not income or location dependent. Projects in targeted neighborhoods, (Low-Mod Area, LMA) have a presumed low-mod income benefit due to the economic conditions within a particular neighborhood that the project serves. For example, the ongoing sidewalk project is assumed to help low-mod families because the sidewalks are located within a low-mod targeted neighborhood. The majority of the CDBG projects are community-wide but targeted neighborhood projects are all construction activities and tend to have the largest project budgets.

Table 5

<b>2009 CAPER Geographic Distribution of Expenditures and Budget by Project</b>			
<b>Projects</b>	<b>Community Wide</b>	<b>Targeted Neighborhoods</b>	
Pedestrian Transportation Infrastructure	0	\$130,150	Expenditures
		\$225,000	Budget
Transitional Housing Years 4 and 5	0		Expenditures
	\$ 129,963.00		Budget
Transitional Daycare Center	0		Expenditures
	\$ 250,000		Budget
Production of New Affordable Rental Units	0		Expenditures
	\$ 65,000		Budget
Elderly and Disabled Homemaking Services	\$ 16,195		Expenditures
	\$ 20,000		Budget
Child Care Assistance San Juan College	\$ 8,698		Expenditures
	\$ 19,000		Budget
Public Services Classes	\$ 10,083		Expenditures
	\$ 25,000		Budget
<b>Total Expended</b>	<b>\$ 34,976</b>	<b>\$ 130,150</b>	Expenditures
<b>Total Budgeted</b>	<b>\$ 508,963</b>	<b>\$ 225,000</b>	Budget
<b>Percent by Geographic Type</b>	<b>Community Wide</b>	<b>Targeted Neighborhoods</b>	
Expended	21%	79%	
Budgeted	69%	31%	

The following map comes from the 2010 Annual Action Plan and is the updated version of the Low-Mod Concentration Map that identifies the Consolidated Plan's Low-Mod Targeted Neighborhoods. The location of the Sidewalk Projects is identified.



## Institutional Structure

1. *Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.*

The City of Farmington has continued as an active member in the Affordable Housing Alliance (AHA) to ensure communication between public entities, non-profit service organizations, and for profit developers. The City of Farmington has also involved staff from San Juan County, the Cities of Aztec and Bloomfield, and members of AHA in the Strategic Housing Plan processes.

## Monitoring

1. *Describe how and the frequency with which you monitored your activities.*

CDBG Staff monitors its service providers and other contractors in three ways.

First there is an annual on-site monitoring visit. A new monitoring checklist was developed this year and has been used for the first time. The three active public service projects were monitored in this manner.

The second form of monitoring is invoice based. All invoices submitted must be accompanied with accomplishment data. Invoices are usually submitted monthly. CDBG Staff reviews the accomplishments and the invoice prior to issuing payment. The third form of monitoring is informal. The informal monitoring consists of contact with the providers about once a month. CDBG Staff calls or visits the work places of the providers just to see how things are going.

2. *Describe the results of your monitoring including any improvements.*

Attached to the CAPER are the three monitoring checklists. All three on-site monitoring visits showed general compliance with the scope of services but in each case there were some areas that needed improvements. The following is a summary of CDBG Staff's comments and the resulting discussions.

Daycare – The case manager had some questions about what type of income verification they could use. In one case a person said they lived with her parents and had no income, they had never filed taxes. That person provided a note from her parents as to her residency and income. CDBG Staff has requested guidance from the HUD on this matter and is awaiting a response. We discussed the under spending of funds and the carryover into the next years budget. There were also some difficulties matching the school year and the CDBG fiscal year and the percentage of assistance provided will be increased in the 2010 fiscal year to catch up.

Public Services Classes – The Public Service Classes are a new project that began in June of 2010. San Juan College is running the classes and there are two providers within the college doing the three classes. In both cases the number one issue was the income verification. I found that the income was being self checked by the students on the form and the teachers during sign up were telling the students of the income limits. I stated that the teacher or

program administer must visually inspect a document verifying the income and sign off on the case management document. A revised case management document must be provided.

Senior Home Care – However, family income has not been verified with a case manager's signature. This is a requirement so we discussed valid ways to verify incomes including, two paychecks, W-2, tax return, social security or disability checks. The client review forms used by NWNM Seniors will be updated so the case manager can certify that they have viewed income verification documents.

For all of the projects the annual summary of accomplishments had not been turned in on time but all were provided promptly once requested. The invoice accomplishment records were all complete.

Also for all projects, CDBG Staff provided the latest 2009 MFI broken down with 80%, 50%, and 30% for income groups and updating the case management documents.

### 3. *Self Evaluation*

- a. *Describe the effect programs have in solving neighborhood and community problems.*
- b. *Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.*

The following are Year 5 Action Plan projects that are making a difference in the community:

- **Child Care Assistance**  
This project provides financial assistance for daycare for qualified students at San Juan Community College, which helps students stay in school.
- **Elderly and Disabled Homemaking Services**  
Homemaker and respite services provide an opportunity for the elderly to live at home or with family and stay out of nursing homes longer.
- **Public Service Classes**  
The three public service classes, Life Skills, Parenting, and English as a Second Language, teach essential skills for individual to be able to perform well in society. The teacher of the ESL class made sure to forward the students thanks for having the class provided.

- c. *Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.*

The Senior Home Care project directly relates to a suitable living environment by provided assistance to frail elderly so they can live independently longer. The upcoming Affordable Rental Housing project when complete will directly provide decent housing. The seven proposed units will be rented to families earning 50% or less of the MFI.

- d. *Indicate any activities falling behind schedule.*

The Daycare Assistance and Public Service projects did not fully expend their budgets as hoped. Delays in starting the new public service contracts affected the year's expenditure.

For the daycare project there were some issues of the timing of the contract with the school year. In 1. c. above these issues are more fully explained.

The sidewalk and transitional care project are behind schedule but CDBG Staff has made some progress recently and is still hopeful that these projects will begin soon. Work on the sidewalk project has begun and on December 9<sup>th</sup>, the contractor started pouring concrete. The Transitional care project had some false starts and the current project partner is currently working on their third location option.

The Transitional Youth Daycare and Indian Center Kitchen Remodel projects should also be mentioned in this section as both have been cancelled when it became clear that no progress could be made. However, these funds were transferred to the Downtown Façade and the Transitional Housing projects.

- e. *Describe how activities and strategies made an impact on identified needs.*
- f. *Identify indicators that would best describe the results.*

- **Child Care Assistance**  
This project provides financial assistance for daycare for qualified students at San Juan Community College, which helps students stay in school. The City has received a number of antidotal stories about students who have received daycare assistance who could not have stayed in school and have gone on to graduate with a degree and started with good jobs. These success stories show the impact that this program has the community's identified economic needs.
- **Elderly and Disabled Homemaking Services**  
Homemaker and respite services provide an opportunity for the elderly to live at home or with family and stay out of nursing homes longer. The City of Farmington has experienced a disproportionately high population growth in the over 65 and over 85 age categories which was cited in the 2009 Consolidated Plan. Providing this service directly addresses the identified needs of the frail elderly.
- **Public Service Classes**  
The three public service classes, Life Skills, Parenting, and English as a Second Language, will provide an economic impact to the students taking these classes.

- g. *Identify barriers that had a negative impact on fulfilling the strategies and overall vision.*

The primary barrier was that of funding. The \$430,751 that the City of Farmington received from HUD is a huge benefit to the community. However, there are many directives that HUD expects the City to address. In the Consolidated Plan CDBG Staff was required to assess the needs of the community, housing, homelessness, poverty, special populations, the list is long and varied. The Consolidated Plan has wonderful strategies and an overall vision of helping every socio-economic sliver of society and yet the funds are just not enough to provide meaningful assistance to even those in the greatest need as defined by HUD. Even with assessed priorities for the vast array of needs in the community the greatest difficulty has been the development of projects and finding project partners who could make use of the CDBG resources.

Another significant barrier to fulfilling the goals of the Farmington Consolidated plan is the HUD required 15% service cap. The many of highest prioritized needs identified in the Consolidated Plan are considered public services by HUD and only 15% of the total grant funds may be used for that type of project. Also, HUD directives to assist certain

populations would be best served by program funds not just the construction of new buildings.

A lack of vendors or project partners has also been a barrier to implementing the strategies and vision of the Consolidated Plan. Several projects have been canceled or delayed due to the difficulty in finding qualified project partners.

- h. Identify whether major goals are on target and discuss reasons for those that are not on target.*

Farmington's major goals are being met. With the exceptions discussed in this report, action plan projects are being successfully run and managed, and goals and objectives of the Consolidated Plan are being met within the limited CDBG budget.

- i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.*

This year with the approval of the 2010 Annual Action Plan two adjustments were made with the amendments to cancel two projects, the Farmington Indian Center and the Transitional Youth Daycare Center. CDBG staff will continue to recommend adjustments in action plan projects as needed and in compliance with the priorities of the Consolidated Plan to ensure funds are expended in a timely manner. While the Five Year Strategic Plan of the 2009 Consolidated Plan will drive our program intentions, an ongoing assessment of the needs of the community and our ability to create successful projects will continue to guide our annual action plan project selections.

## **Lead-based Paint**

- 1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.*

No Action Plan projects required lead-based paint inspections this year. The emergency rental assistance project does not qualify for TBRA status, as it is not Home or Section 8 funded, also the project allows only a one month subsidy which does not activate the 100 day minimum standard of § 35.115 Exemptions.

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## **HOUSING**

### **Housing Needs**

- 1. Describe Actions taken during the last year to foster and maintain affordable housing.*

A 2010 Update to the Housing Affordability Study was published this year and submitted as a companion document to the 2010 Annual Action Plan. Farmington City Staff is also working on the development of an Affordable Housing Strategic Housing Plan which is nearing completion. An Affordable Housing Ordinance will follow the adoption of the new plan. CDBG Staff was also part of the community effort to start the Homeless Prevention and Rapid Re-Housing (HPRP) grant offered by the MFA. San Juan County Partnership, who has been a CDBG project partner in the past, is currently administering approximately \$500,000 to benefit low income households in San Juan County.

## Specific Housing Objectives

1. *Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.*
2. *Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.*

The New Affordable Rental Unit Project specifically addresses these questions. However, the \$65,000 budgeted with the 2009 Annual Action Plan was held to be combined with \$279,000 of additional funds from the 2010 Annual Action Plan for a total of \$344,000. At the time of writing this CAPER, we have already selected a project partner and the project agreement has been signed for the production of seven new affordable units in Farmington, which will be reserved for families making less than 50% of the MFI. This project should begin in the spring of 2011 and be operational in early summer of 2011.

3. *Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.*

The New Affordable Rental Unit Project addresses these special needs in two ways. First, the project will be constructed to meet Fair Housing standards for accessibility and persons with disabilities will be given priority in the fully accessible units to be constructed. Second, the RFP and agreement with the contractor required at least one 4 bedroom unit to be constructed to address overcrowding. CDBG Staff recognizes that this is a very small project in comparison to the needs of the community but, this will be the first CDBG funded affordable housing project in the community. We hope that this project will increase staff experience, interest in the development community, and community awareness of the need for affordable housing for those with special needs.

## Public Housing Strategy

1. *Describe actions taken during the last year to improve public housing and resident initiatives.*

There is no public housing in Farmington

## Barriers to Affordable Housing

1. *Describe actions taken during the last year to eliminate barriers to affordable housing.*

The City of Farmington is close to completing its Affordable Housing Strategic Plan, which has built on the Affordable Housing Report and Housing Needs Assessments created during the 2009 Consolidated Plan process.

## HOMELESS

### Homeless Needs

1. *Identify actions taken to address needs of homeless persons.*
2. *Identify actions to help homeless persons make the transition to permanent housing and independent living.*

For the last five years, Farmington CDBG has funded a Rental Assistance project with San Juan County Partnership. Because the Homeless Prevention and Rapid Re-Housing (HPRP) grant pumped approximately \$500,000 into the community and because the HPRP grant taxed the administrative capacity of San Juan County Partnership, the City's CDBG program did not fund the Emergency Rental Assistance project this year. However, the 2010 Annual Action Plan has budgeted \$19,000 for this activity.

CDBG Staff was part of the community effort to start the Homeless Prevention and Rapid Re-Housing grant offered by the New Mexico MFA. San Juan County Partnership, who has been a CDBG project partner in the past, is currently administering approximately \$500,000 to benefit low income households in San Juan County.

3. *Identify new Federal resources obtained from Homeless SuperNOFA.*

The City of Farmington CDBG Staff participated in the application for the HPRP grant. No other funds were sought from the SuperNOFA.

### Specific Homeless Prevention Elements

1. *Identify actions taken to prevent homelessness.*

This year the City has worked on the Housing Affordability Strategic Plan. However, this year no specific Annual Action Plan projects addressed homelessness prevention.

## COMMUNITY DEVELOPMENT

### Community Development

1. *Assessment of Relationship of CDBG Funds to Goals and Objectives*
  - a. *Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.*

Table 6 below, shows the Action Plan Potential Projects List that is part of the 2009 Consolidated Plan. The projects in bold and shaded in grey are the projects being reported on in this CAPER. This shows that all of this years projects and funding are part of the goals and objectives of the 2009 Consolidated Plan. The AHA Ranking number (1-10) was an initial ranking and in the Consolidated Plan other sources of priority ranking were considered. For example the Senior Services was only in the second quartile of ranking from the survey; however, the Housing Needs Assessment identified disproportionate population growth in the over 65 and over 85 age categories which provided further justification for the project.

Table 6

Action Plan Potential Projects List						
	Eligible Activities	AHA Ranking	Potential Action Plan Project	Source	Outcome Objectives	National Objectives
Public Facilities and Improvements	01 Acquisition of Real Property 570.201(a)	4.94	Purchase of land in the MRA downtown area for the use of low mod income rental housing.	CDBG and MRA Staff	DH-2	LMH
	03 Public Facilities and Improvements (General) 570.201(c)	6.95				
	03A Senior Centers 570.201(c)	4.83	Expansion of existing facility	AHA Workshop	SL-1	LMC
	03B Handicapped Centers 570.201(c)	6.11	Construction of a Center for Disabled Services	AHA Workshop	SL-1	LMC
	03C Homeless Facilities (not operating costs) 570.201(c)	7.89	Construction or expansion of homeless shelter	CDBG Staff	SL-1	LMH
	<b>03D Youth Centers 570.201(c)</b>	<b>7.79</b>	<b>More youth centers-youth services</b>	<b>AHA Workshop</b>	<b>SL-1</b>	<b>LMA</b>
	03E Neighborhood Facilities 570.201(c)	7.42	Parks and recreation for youths	AHA Workshop	SL-1	LMA
	03F Parks, Recreational Facilities 570.201(c)	6.26	Parks and recreation for youths	AHA Workshop	SL-1	LMA
	03G Parking Facilities 570.201(c)	4.53				
	03H Solid Waste Disposal Improvements 570.201(c)	5.32				
	03I Flood Drain Improvements 570.201(c)	5.16				
	03J Water/Sewer Improvements 570.201(c)	4.89	Sewer line extension in Targeted Low Mod Neighborhoods. Could pay a portion of the line and for hookups.	Engineering Staff	SL-1	LMA/URG
	03K Street Improvements 570.201(c)	5.75	Street improvements for south side community. Making a bridge/cross over across Murray preventing individuals from being hit.	AHA Workshop	SL-1	LMA
	03L Sidewalks 570.201(c)	5.78	Sidewalks	AHA Workshop	SL-1	LMA
	03M Child Care Centers 570.201(c)	7.84	Child care centers- Providing child care services for individuals and families so they are able to search for jobs.	AHA Workshop	SL-1	LMC
	03N Tree Planting 570.201(c)	6.16				
	03O Fire Stations/Equipment 570.201(c)	5.44				
	03P Health Facilities 570.201(c)	6.03				
	03Q Abused and Neglected Children Facilities 570.201(c)	8.21	Expansion of existing facilities	CDBG Staff	SL-1	LMC
	03R Asbestos Removal 570.201(c)	7.05				
03S Facilities for AIDS Patients (not operating costs) 570.201(c)	5.84					
03T Operating Costs of Homeless/AIDS Patients Program	7.79	Provide operational funds to increase services	CDBG Staff	SL-1	LMC	
Public Services	04 Clearance and Demolition 570.201(d)	5.58	Removal of Dilapidated structures in the MRA or Targeted low income neighborhoods.	CDBG Staff	SL-1	LMA/URG
	04A Clean-up of Contaminated Sites 570.201(d)	5.74				
	05 Public Services (General) 570.201(e)	5.97	English Proficiency, Parenting, and Life Skills Classes	Public Hearing Input	EO-1	LMC
	<b>05A Senior Services 570.201(e)</b>	<b>5.68</b>	<b>Programs to assist the seniors</b>	<b>CDBG Staff</b>	<b>SL-1</b>	<b>LMC</b>
	05B Handicapped Services 570.201(e)	6.25	Transportation, daycare, home care	CDBG Staff	SL-1	LMC
	05C Legal Services 570.201(e)	7.11	Legal aide for tenant landlord responsibilities	AHA Workshop	SL-1	LMC
	05D Youth Services 570.201(e)	7.44	More youth centers-youth services	AHA Workshop	SL-1	LMA
	05E Transportation Services 570.201(e)	8.06	Extended hours and routes, Sundays and holidays.	AHA Workshop	SL-1	LMA/LMC
	05F Substance Abuse Services 570.201(e)	6.89	Transitional housing-construction for women in substance abuse. Halfway house/or similar for adults coming out of detention, detox	AHA Workshop	DH-1	LMC
	05G Battered and Abused Spouses 570.201(e)	6.58	Transitional living shelters for survivors of domestic violence and their children. Expansion of existing facilities.	AHA Workshop	DH-1	LMC/URG
	05H Employment Training 570.201(e)	8.37	Training of workers who have lost their job		EO-1	LMC
	05I Crime Awareness 570.201(e)	5.72	More funding for community outreach programs	AHA Workshop	SL-1	LMA
	05J Fair Housing Activities (if CDBG, then subject to 570.201(e))	7.11				
	05K Tenant/Landlord Counseling 570.201(e)	6.74	Counsel to handle legal issues concerning mediation between Tenant/Landlord	AHA Workshop	DH-1	LMC
	<b>05L Child Care Services 570.201(e)</b>	<b>6.56</b>	<b>Child care centers- Providing child care services for individuals and families in transitional living so they can look for work. Child care for students at San Juan College for Employment Training</b>	<b>AHA Workshop</b>	<b>EO-1</b>	<b>LMC</b>
	05M Health Services 570.201(e)	6.67				
	05N Abused and Neglected Children 570.201(e)	8.68	Expansion of existing facilities.	CDBG Staff	SL-1	LMC
	05O Mental Health Services 570.201(e)	7.63				
	05P Screening for Lead-Based Paint/Lead Hazards Poison 570.201(e)	5.03	Testing program for housing or pay for testing for children in poverty	CDBG Staff	SL-1	LMC/LMA
	05Q Subsidence Payments 570.204	6.37				
05R Homeownership Assistance (not direct) 570.204	6.79	Homeownership subsidy such as homebuyer and subsidies for low income/moderate income families	AHA Workshop	DH-2	LMC	
05S Rental Housing Subsidies (if HOME, not part of 5% 570.204)	7.95	Emergency rental assistance to prevent and end homelessness.	AHA Workshop	DH-2	LMC	
05T Security Deposits (if HOME, not part of 5% Admin c	6.79	Move-in assistance	CDBG Staff	DH-2	LMC	
06 Interim Assistance 570.201(f)	5.79					
07 Urban Renewal Completion 570.201(h)	5.95					
08 Relocation 570.201(i)	5.47	Relocation of any families displaced by CDBG project	CDBG Staff	DH-2	LMC	
11 Privately Owned Utilities 570.201(l)	4.68					
12 Construction of Housing 570.201(m)	6.21	Paying for the extension of sewer lines to low income housing development to allow higher density and lower prices.	AHA Workshop	SL-2	LMC/LMA	
13 Direct Homeownership Assistance 570.201(n)	6.37	Affordable housing assistance, down payment matching assistance, paying for points to lower payments.	AHA Workshop	DH-2	LMC	
		1st Quartile <5.93 = Low Need				
		2nd Quartile <6.79 = Med Need				
		3rd Quartile <7.46 High Need				
		4th Quartile <9.15 Highest Need				

**Table 6 Continued**

Rehabilitation	14A Rehab: Single-Unit Residential 570.202	6.74	Home rehab to assist low income	AHA Workshop	DH-2	LMC
	14B Rehab: Multi-Unit Residential 570.202	6.68	Rehab for low income rentals	AHA Workshop	DH-2	LMC
	14C Public Housing Modernization 570.202	7.05				
	14D Rehab: Other Publicly-Owned Residential Buildings	6.42				
	14E Rehab: Publicly or Privately-Owned Commercial/Ind	5.53	Downtown façade improvement matching grant	MRA	EO-3	LMA
	14F Energy Efficiency Improvements 570.202	6.95	Pay for 75% of energy efficiency improvements for families that earn less than 80% MFI	CDBG Staff	DH-2	LMC
	14G Acquisition - for Rehabilitation 570.202	6.26	Purchase dilapidated buildings for rehab	CDBG Staff	SL-2	LMA
	14H Rehabilitation Administration 570.202	5.89				
	14I Lead-Based/Lead Hazard Test/Abate 570.202	6.26	Test building prior to any rehab	CDBG Staff	SL-2	LMA/LMC
	15 Code Enforcement 570.202(c)	6.53	Code enforcement- Hire inspector to keep rentals up to code.	AHA Workshop	DH-1	URG
CDBG	16A Residential Historic Preservation 570.202(d)	4.74				
	16B Non-Residential Historic Preservation 570.202(d)	4.53	Downtown rehab project, matching money for added costs of Historic Preservation	CDBG Staff	EO-3	LMA
	18C Micro-Enterprise Assistance	5.21				
	19C CDBG Non-profit Organization Capacity Building	6.00	Training matching funds for CDBG service providers	CDBG Staff	EO-1	URG
	19D CDBG Assistance to Institutes of Higher Education	5.21				
	19E CDBG Operation and Repair of Foreclosed Property	5.58				
	Acquisition of existing rental units	7.05	Purchase multi-family units which may be lost to redevelopment and retain for low-income rentals	CDBG Staff	DH-2	LMH
<b>Production of new rental units</b>	<b>7.95</b>	<b>Provide money per unit reserved for low income rentals. Extra funding for very low income</b>	<b>AHA Workshop</b>	<b>DH-2</b>	<b>LMH</b>	
Rehabilitation of existing rental units	7.84	Rehab for low income rentals	AHA Workshop	DH-1	LMH	
Rental assistance	8.26	Emergency rental assistance	AHA Workshop	DH-2	LMC	
Acquisition of existing owner units	7.32					
Production of new owner units	7.37					
Rehabilitation of existing owner units	7.26					
Homeownership assistance	8.68	Affordable housing assistance, down payment matching assistance, paying for points to lower payments.	AHA Workshop	DH-2	LMC	
Housing Needed	52. Elderly	7.39	Elderly housing- Retirement homes - Assisted Living	AHA Workshop	DH-1	LMC
	53. Frail Elderly	7.42	Home and Respite Care	CDBG Staff	SL-1	LMC
	54. Persons w/ Severe Mental Illness	7.42	Supported housing for the mentally ill and disabled	AHA Workshop	DH-1	LMC
	55. Developmentally Disabled	7.55				
	56. Physically Disabled	7.53				
	57. Alcohol/Other Drug Addicted	7.63	Substance abuse transitional housing.	AHA Workshop	DH-1	LMC
	58. Persons w/ HIV/AIDS & their families	6.95				
59. Public Housing Residents	7.05					
Supportive Services Needed	60. Elderly	7.25	Home and Respite Care	AHA Workshop	DH-1	LMC
	61. Frail Elderly	7.25	Home and Respite Care	AHA Workshop	DH-1	LMC
	62. Persons w/ Severe Mental Illness	7.10	Construction of a Center for Disabled Services	AHA Workshop	SL-1	LMC
	63. Developmentally Disabled	6.79	Construction of a Center for Disabled Services	AHA Workshop	SL-1	LMC
	64. Physically Disabled	6.95	Construction of a Center for Disabled Services	AHA Workshop	SL-1	LMC
	65. Alcohol/Other Drug Addicted	7.26	Funding for rehab program expansion	AHA Workshop	SL-1	LMC
	66. Persons w/ HIV/AIDS & their families	6.74				
67. Public Housing Residents	6.63					
Homeless Population	1. Homeless Individuals	8.58	Transitional living for adults who are homeless. Improvements to existing emergency shelters	AHA Workshop	DH-2	LMC
	2. Homeless Families with Children	9.15	Homeless facilities for families not just adults. - Homeless facilities- Expand and renovate existing facilities	AHA Workshop	DH-2	LMC
	1. Chronically Homeless	7.53				
	2. Severely Mentally Ill	7.89				
	3. Chronic Substance Abuse	8.11	Provide funds for treatment centers	AHA Workshop	SL-1	LMC
	4. Veterans	8.11	Veterans-rental assistance program for homeless veterans, PMS	AHA Workshop	DH-2	LMC
	5. Persons with HIV/AIDS	6.74				
	6. Victims of Domestic Violence	8.00	Transitional housing. Units for families	AHA Workshop	DH-2	LMC
	7. Youth (Under 18 years of age)	7.84	Transitional living- Adolescents who are transitioning out of foster care/juvenile justice to prepare them to live independently or in supportive housing.	AHA Workshop	DH-2	LMC
			1st Quartile <5.93 = Low Need			
		2nd Quartile <6.79 = Med Need				
		3rd Quartile <7.46 High Need				
		4th Quartile <9.15 Highest Need				

b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.

No CDBG project benefited affordable housing this year. \$65,000 was budgeted for the creation of new affordable rental units but that project will start in the 2010 project year and its accomplishments will be reported in the 2010 CAPER.

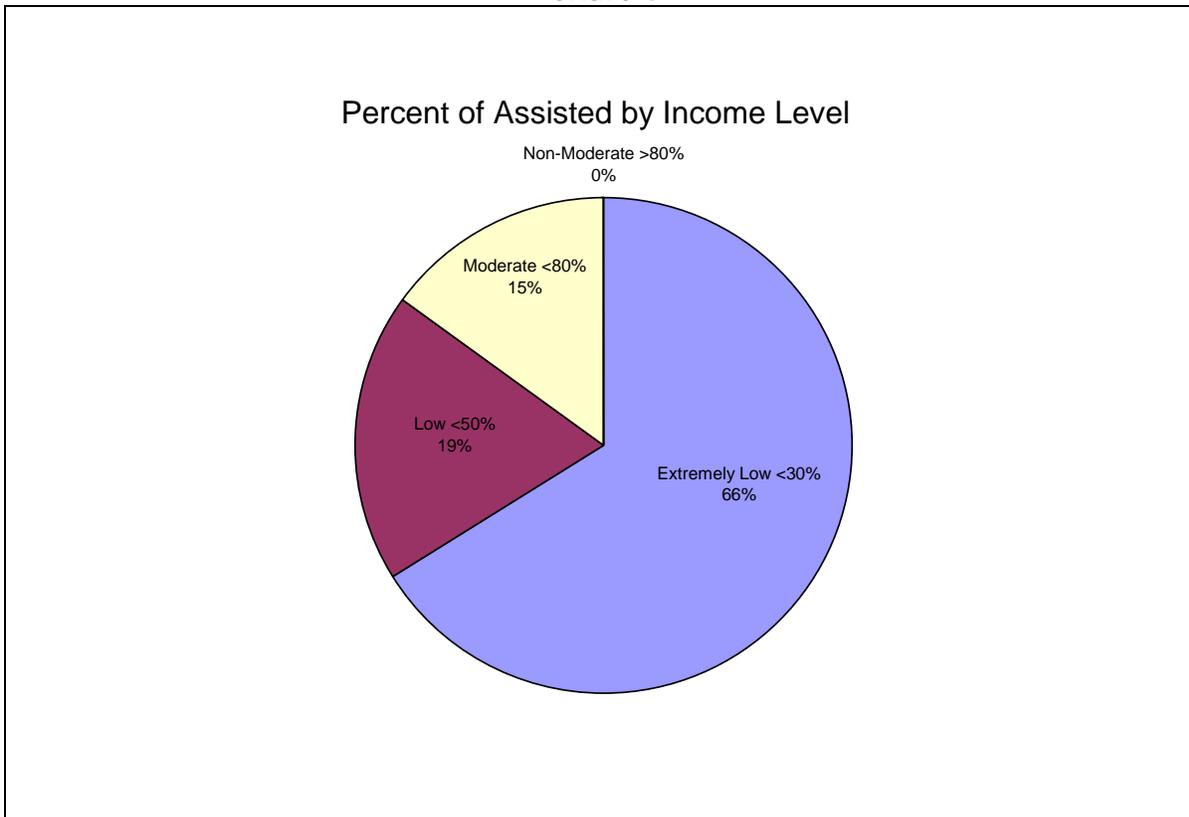
- c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.

Table 7 below shows the number and percent of persons or families assisted that were in the extremely low, low, and moderate income categories. There were no assisted persons or families in the greater than 80% income category. Chart 4 below depicts the percentage of those assisted by income level using the same data as in Table 7.

**Table 7**

<b>Number and Percentage of Clientele Assisted by Income Level</b>				
Low-Mod Clientele Projects	Income Level % of Median Family Income 2008			
	< 30%	< 50%	< 80%	> 80%
	<b>Extremely Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Non-Moderate</b>
	\$ 16,997	\$ 28,329	\$ 45,326	
Senior home care	22	2	1	0
SJC Day Care	14	1	8	0
Public Service Classes	126	43	28	0
<b>Number Assisted by Income Level</b>	<b>162</b>	<b>46</b>	<b>37</b>	<b>0</b>
Total Assisted =	245			
<b>Percent of Assisted by Income Level</b>	<b>66.1%</b>	<b>18.8%</b>	<b>15.1%</b>	<b>0.0%</b>

**Chart 4**



2. *Changes in Program Objectives*

- a. *Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.*

There were no specific changes made to the Consolidated Plan objectives this year.

3. *Assessment of Efforts in Carrying Out Planned Actions*

- a. *Indicate how grantee pursued all resources indicated in the Consolidated Plan.*

The 2009 Consolidated Plan did not callout any funds other than the CDBG Entitlement Grant.

- b. *Indicate how grantee provided certifications of consistency in a fair and impartial manner.*

The provided certification of consistency insures that all grant funds expended during the 2009 project year were consistent with the goals and strategies of the Farmington Consolidated Plan. Also, Table 6 under Community Development 1. a. above, shows that all action plan projects for the 2009 project year were part of the original Potential Project Table created in the 2009 Consolidated Plan.

- c. *Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.*

CDBG staff has worked diligently to implement the 2009 Action Plan. The areas of delay are detailed in this CAPER.

4. *For Funds Not Used for National Objectives*

- a. *Indicate how use of CDBG funds did not meet national objectives.*  
b. *Indicate how did not comply with overall benefit certification.*

All funds budgeted and expended were used only for projects that were consistent with the 2009 Consolidated Plan's Strategic Plan. All of those projects are both consistent with the national objectives and certified as eligible projects by City CDBG Staff.

5. *Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property*

- a. *Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.*  
b. *Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.*  
c. *Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.*

No Action Plan projects required the displacement or relocation of any residents.

6. *Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons*
- Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.*
  - List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.*
  - If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.*

No 2009 projects created any new jobs that related to economic development. One project partner, Northwest New Mexico Seniors did hire a new part time service provider. However, HUD Sec. 3 regulations were not triggered because this project did not involve any construction activity. To confirm this, City CDBG Staff consulted with the HUD Albuquerque Field Office.

7. *Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit*
- Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.*

All 2009 action plan projects involved LMC or LMH benefits. No income benefits were presumed.

8. *Program income received*
- Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.*
  - Detail the amount repaid on each float-funded activity.*
  - Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.*
  - Detail the amount of income received from the sale of property by parcel.*

No 2009 Action Plan Project generated any program income.

9. *Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:*
- The activity name and number as shown in IDIS;*
  - The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;*
  - The amount returned to line-of-credit or program account; and*
  - Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.*

Not Applicable to this CAPER

10. Loans and other receivables

- a. *List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.*
- b. *List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.*
- c. *List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.*
- d. *Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.*
- e. *Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.*

Not Applicable to this CAPER

11. Lump sum agreements

- a. *Provide the name of the financial institution.*
- b. *Provide the date the funds were deposited.*
- c. *Provide the date the use of funds commenced.*
- d. *Provide the percentage of funds disbursed within 180 days of deposit in the institution.*

Not Applicable to this CAPER

12. Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year

- a. *Identify the type of program and number of projects/units completed for each program.*
- b. *Provide the total CDBG funds involved in the program.*
- c. *Detail other public and private funds involved in the project.*

Not Applicable to this CAPER

13. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies

- a. *Describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.*

Not Applicable to this CAPER

## **Antipoverty Strategy**

1. *Describe actions taken during the last year to reduce the number of persons living below the poverty level.*

There are two projects in the 2009 Action Plan Year that fit with the Antipoverty Strategy. The Child Care Assistance project makes it easier for parents to pursue education so that they can

improve their employability. Also, the Public Service Classes provide essential skills that can improve a person's employability.

## NON-HOMELESS SPECIAL NEEDS

### **Non-homeless Special Needs**

1. *Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).*

The 2009 Annual Action Plan Senior Care project assists the frail elderly and their families to allow them to live in their homes longer than would otherwise be possible. In addition, CDBG Staff is still working on the development of new transitional housing for persons with addiction.

No specific 2009 Annual Action Plan projects address the needs of persons with HIV/AIDS.

**TIMELINESS STANDARD Sec. 507.902 (a)**

**Timeliness Standard**

The City of Farmington, for the first time, does not meet the 1.5 Timeliness Standard. Sec. 507.902 (a) of the HUD Regulations states:

(a) *Entitlement recipients.*

(1) Before the funding of the next annual grant and absent contrary evidence satisfactory to HUD, HUD will consider an entitlement recipient to be failing to carry out its CDBG activities in a timely manner if:

- (i) Sixty days prior to the end of the grantee’s current program year, the amount of entitlement grant funds available to the recipient under grant agreements but undisbursed by the U.S. Treasury is more than 1.5 times the entitlement grant amount for its current program year; and
- (ii) The grantee fails to demonstrate to HUD’s satisfaction that the lack of timeliness has resulted from factors beyond the grantee’s reasonable control.

Table 8 below is taken from the CDBG IDIS Web Page, which is used to track financial activities. The IDIS generated report shows the history of the City of Farmington’s CDBG Timeliness ratio. In Program Years 2007 and 2008 the City was well under the 1.5 standard, but in the 2009 program year the ratio was 1.85. This translates to the City CDBG program under-spending by \$64,616.55 during the 2009 program year. In the Program Year 2010 column you will notice that the ratio is 2.58; however that will fall throughout the year as funds are expended, and the City has until August to bring that ratio down to 1.5.

**Table 8**

IDIS - PR56		U.S. Department of Housing and Urban Development Office of Community Planning and Development Integrated Disbursement and Information System CDBG Entitlement Communities Timeliness Report Field Office : itee} = 106675:FARMINGTON Historical 60 Day Ratio Report						DATE: 12-09-10 TIME: 16:42 PAGE: 1			
		-- Program year 2011 --	-- Program year 2010 --	-- Program year 2009 --	-- Program year 2008 --	-- Program year 2007 --					
ST	GRANTEE	Ratio	End Date	Ratio	End Date	Ratio	End Date	Ratio	End Date	Ratio	End Date
NM	FARMINGTON	*****	09-30-2012	2.58	09-30-2011	1.85	09-30-2010	1.19	09-30-2009	1.10	09-30-2008

**Factors Beyond the City’s Control**

As stated in (ii) above, the City must demonstrate that factors beyond its control led to the lack of timeliness. As reported above in General Questions 1. c. on pages 4 and 5 of this CAPER, there were three projects with setbacks that have affected the our timeliness ratio this year. These project setbacks are restated here for the purposes of this section.

1. Transitional Youth Daycare Center – This project went through the Request for Proposal process (RFP), a project partner was selected, an agreement was created, and was ready for signature when the partner backed out and did not sign the agreement. After this, the

project RFP was issued again but no other project partner was found. This was a significant setback in time and effort to the CDBG program. The principal reason given by the service provider was a change in management at the national level and a lack of funds for the program funding.

After this setback, the project was canceled during the public hearings for the 2010 Annual Action Plan and the \$250,000 for this project has been reallocated to the Downtown Façade and Streetscape project.

2. **Pedestrian Infrastructure**– The remaining budget of \$94,850 is from Years 4 and 5 of the first Consolidated Plan. There have been a number of delays for this project. First, the State Historic Preservation Office (SHPO) delayed the project to review the impacts of new sidewalks to the historic nature of the proposed neighborhoods. The second delay was the Federal Recovery project. Due to the administrative requirements of CDBG-R and the pressures to expend those funds quickly, the CDBG sidewalks were given a lower priority. The third major reason for delays in the sidewalk project was a 200-year storm event and other flooding events which occurred from July 25 to August 9, 2010. FEMA has declared a flood disaster for our community. In one location 2.25 inches of rain fell in 45 minutes almost meeting the 500-year storm event standard. Significant public and private flood damage occurred and the full attention of the Public Works Department was shifted to dealing with this crisis. Only this Fall, has the issue of CDBG sidewalks been brought up again. On November 19, 2010, CDBG staff met with the City Engineer and the City's Block to Block contractor to discuss the plans for this project. Work on the sidewalk has now begun and approximately 1,000 feet of sidewalk will be completed before the end of the year. In early January, project invoices should be turned in, the funds drawn down, and this project will be closed.
3. **Transitional Housing** – Even though both of the City of Farmington Consolidated Plans have identified transitional housing for a variety of special needs populations as one of the highest ranked needs in our community, CDBG staff has had significant difficulty finding a partner for this project. During Year 4, the City was not able to find a viable project for this activity. The Year 5 budget added additional funds to the Year 4 project, totaling \$179,963, to make this a more attractive activity. A request for proposals was published, proposals were reviewed, and a project partner selected. However, that partner was forced to back out of the project, citing a lack of program funds to run the facility. The funds budgeted for transitional housing are for construction only, not for operations. Late in 2010 a new partner for this project has been selected, Masada House, who wants to develop a women's alcohol treatment center. The City of Farmington, San Juan County, and CDBG staff has reviewed three different project locations for this activity. The current site received City Council approval on December 28, 2010. A closing for the purchase of the house is anticipated January 31, 2010.

### **Corrective Actions**

If HUD finds that the factors in these three HUD cases were within the control of the City CDBG Staff then Corrective Actions must be prescribed. However, CDBG Staff has already made progress in each of the three projects as reported above.

Under corrective Actions in this case HUD will also determine the likelihood that the City will expend a sufficient amount of funds over the next program year to bring the City into compliance with the 1.5 Timeliness Standard at the end of the 2010 Action Plan Year. This means that not

only does the City need to expend at least \$64,616.55, but it also must expend enough funds in the 2010 program year to meet the 1.5 Timeliness Standard.

- Currently the Sidewalk Project is underway and the full \$94,850 should be expended by January 2011.
- The Downtown Façade Project which was approved along with the 2010 Annual Action Plan, with a budget of \$200,000 has made significant administrative progress. There has also been significant public interest in participating in this activity.
- The Transitional Housing project is currently awaiting a zoning approval to proceed. If the approval is given, the applicant hopes to purchase the property at the end of the January 2011 and all of the CDBG funds will be expended.
- Another Project to be reported on here is the New Affordable Rental Units project. This is a 2010 Annual Action Plan project with a total budget of \$344,000 and On December 9, 2010 the project partner signed the project agreement and has purchased the land. An invoice for the \$74,000 land purchase and other preconstruction costs is expected.

In conclusion, the City of Farmington CDBG program has approximately \$868,000 in obligated funds in four projects at the time of preparing this report. This, along with our typical administrative, planning, and public services budgets, should put the City well under the 1.5 standard at the end of the 2010 fiscal year.