

AGENDA
COMMUNITY DEVELOPMENT ADVISORY BOARD
4:00 P.M.
MONDAY, September 18, 2017
CITY HALL
100 N. 5TH STREET
LEAVENWORTH

1. Call to order, Roll call
2. Minutes of the March 13, 2017 meeting: Motion
3. Election of board chair and vice chair
4. Public Hearing #3 2016-17 CAPER
 - a. Open Public Hearing
 - b. Close Public Hearing
 - c. 2016-17 CAPER, Final Plan: Motion
5. Programmatic changes: Home Ownership Program Processing/Underwriting guidelines for lenders
6. Other matters, correspondence
7. Adjourn: Motion



**COMMUNITY DEVELOPMENT ADVISORY BOARD
MONDAY, March 13, 2017, 4:00 P.M.
COMMISSION ROOM, CITY HALL
LEAVENWORTH, KANSAS**

Chairman Mike Seufert called the meeting to order at 4:00 pm. Board members present Sister Paula Jauernig, Charles Davis, and Bobbie Snyder. Staff members present were Community Development Coordinator Mary Dwyer and Administrative Assistant Michelle Baragary.

Chairman Seufert called for the first item on the agenda; approval of the minutes from February 13, 2017. Mr. Davis moved to accept the minutes as presented, seconded by Sr. Paula and approved by a vote of 4-0.

Board member Margaret McKane arrived at 4:03 pm and Stephen Kempf arrived at 4:04 pm.

Chairman Seufert called for the next item on the agenda: to hold Public Hearing #2, Revised Consolidated Plan 2017-2021 and Annual Action Plan 2017-2018 and opened the public hearing.

Chairman Seufert called for comment from staff.

Ms. Dwyer stated the Affirmatively Furthering Fair Housing Report requires that the Consolidated Plan be on the same timeline as the region. The statistics and descriptions of the statistics remained the same. Staff added section MA-50, which includes information on the Affirmatively Furthering Fair Housing Plan. The Annual Action Plan is included at the end of the Consolidated Plan starting with Section AP-15 Expected Resources. Staff briefly reviewed the Annual Action Plan.

Chairman Seufert asked for any comments or questions.

With no further discussion from the board and no one in the audience, Chairman Seufert closed the public hearing and called for a motion. Ms. Snyder moved to recommend for approval the Revised Consolidated Plan 2017-2021 and Annual Action Plan. The motion was seconded by Mr. Davis and approved by a unanimous vote of 6-0.

Chairman Seufert call for the next item on the agenda: Other matters, correspondence.

Ms. Dwyer stated there is a growth in homeownership and the funds for the First Time Home Buyers Program is almost depleted. Ms. Dwyer suggests reallocating funds from the Institutional Rehab to the Homeownership Program as needed for the remainder of the year. She suggested starting with \$20,000.

Chairman Seufert called for a motion to transfer \$20,000 from the Institutional Rehab to the First Time Home Buyers Program. Ms. McKane moved to transfer \$20,000 from the Institutional Rehab to the First Time Home Buyers Program, seconded by Sr. Paula and approved by a unanimous vote of 6-0.

A guest joined the meeting at 5:19 pm. Chairman Seufert welcomed guest, Mr. Jeffrey Washington, in the audience. Mr. Washington had a conversation about the City's CDBG documentation on the City's website.

With no further business, the meeting adjourned at 5:24 pm.

MD:mb



**CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION
REPORT**

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

July 1, 2016 – June 30, 2017

LEAVENWORTH, KANSAS

DRAFT

DRAFT

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

For the 2016-17 Community Development Block Grant, the City of Leavenworth saw a sizable increase in Home Ownership projects, double last year. In our Home Ownership Assistance Program (HOAP) we assisted 12 homeowners purchase their first house. For Home Repair Program (HRP), we repaired 19 homes. In Neighborhood Stabilization, we removed from our neighborhoods seven residential structures and two apartment buildings deemed dangerous by the City Commission. Finally, we provided funding to six public service agencies to serve low/moderate income needs and they served 6,774 individuals. The lower count of those served by public service agencies is due to a correction in documenting unduplicated clients and a reduction in resources.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Home buyer Assistance	Affordable Housing	CDBG: \$93,392	Direct Financial Assistance to Homebuyers	Households Assisted	4	12	300.00%	4	12	300.00%

Housing Rehabilitation	Affordable Housing Non-Homeless Special Needs	CDBG: \$127,272	Homeowner Housing Rehabilitated	Household Housing Unit	17	19	135.71%	17	19	111.76%
Neighborhood Stabilization	Non-Housing Community Development	CDBG: \$39,199 (\$33,192 in 2015/26 funds)	Buildings Demolished	Buildings	11	9	81.82%	10	9	90.00%
Program Administration	Administration	CDBG: \$62,140	Other	Other	0	0		1	1	100.00%
Public Services Agencies	Non-Housing Community Development	CDBG: \$46,605	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	7200	6774	74%			74%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction’s use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The highest priority activities in the Annual Action Plan 2016-17 were: 1. Home Rehabilitation 2. Neighborhood Stabilization 3. Rapid Re-Housing and Homeless Prevention 4-Homelessness Assistance-shelters 5. Home Buyer Assistance. All were successfully met.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	4,970
Black or African American	1,370
Asian	56
American Indian or American Native	50
Native Hawaiian or Other Pacific Islander	17
Total	6,463
Hispanic	170
Not Hispanic	6,293

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

The minority rate in our programs is about equivalent to the minority population in Leavenworth.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	529,363.80	401737.92
HOME	HOME		
HOPWA	HOPWA		
ESG	ESG		
Other	Other		

Table 3 - Resources Made Available

Narrative

Public Service Agencies provide matching program dollars from a variety of sources including donations and grants. Home Repair Program, Home Ownership Program, and Neighborhood Stabilization Program rely on CDBG dollars to accomplish their mission.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description

Table 4 – Identify the geographic distribution and location of investments

Narrative

There were no geographic distributions and location of investments.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Leveraging was provided by public service agencies using other funds and grants to match both CDBG and ESG dollars. No publicly owned land or property were used to address the needs identified in the plan, as none was required for our scope of work.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	4	12
Number of Special-Needs households to be provided affordable housing units	0	0
Total	0	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	310	310
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	17	19
Number of households supported through Acquisition of Existing Units	4	12
Total	331	341

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City of Leavenworth achieved its goals of rehabilitation of existing structures and acquisition of existing structures through CDBG funds. Rental assistance was provided through the Leavenworth Public Housing Authority. This year our goals were met or exceeded.

Discuss how these outcomes will impact future annual action plans.

The City of Leavenworth will continue to serve the goals in our Consolidated Plan.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	5623	0
Low-income	780	0
Moderate-income	41	0
Total	6444	0

Table 7 – Number of Households Served

Narrative Information

The overwhelming number of residents served are in the extremely low-income category.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Leavenworth homeless services include a temporary emergency shelter, Interfaith Shelter of Hope, and the Alliance Against Family Violence Shelter for domestic abuse victims. While CDBG and ESG support AAFV, the Shelter of Hope is run independently of government funds.

Prevention is also an important component of the homeless network and the Emergency Solutions Grant provides support of Homeless Prevention and Rapid Housing Restart. Both of these programs are important strategies to battle homelessness. The local churches offer weekly meals on a rotating basis as an outreach for the homeless. The nonprofit, Welcome Central, was started to be a one point stop for homeless and low-income persons to access services.

Addressing the emergency shelter and transitional housing needs of homeless persons

The Shelter of Hope offers night-only shelter. The Alliance Against Family Violence offers shelter to domestic abuse victims, through both emergency and transitional housing. Catholic Charities of Northeast Kansas offers homeless prevention and rapid rehousing programs funded through CDBG and ESG. The nonprofit, Welcome Central, offers day services for the homeless, as well as limited transportation.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City supports homeless prevention activities through its Public Service agencies. Some of these agencies provide rent and utility assistance to avoid eviction and shutoff. Catholic Charities of Northeast Kansas (CCNEKS) offers homelessness prevention and rapid re-housing services funded in part with CDBG and ESG funds. CCNEKS has started financial literacy classes to help families avoid becoming homeless. We also contract with Welcome Central to operate a Landlord/Tenant Resolution program to prevent homelessness. Finally, the Salvation Army provides utility assistance for Leavenworth residents.

Due to the location of the Veteran's Administration Medical Center in the City of Leavenworth, we have many veterans who were discharged from the VA and remain in the area and are in need of housing. The Dwight D. Eisenhower Veterans Affairs Medical Center (VAMC) houses some of these individuals in

the Domiciliary and Safe Haven program. Others are assisted with the Veterans Administration Supportive Housing (VASH) program which is managed by the Leavenworth Housing Authority.

Federal prisoners and their families also constitute part of Leavenworth's homeless population. The Federal prison is located in Leavenworth as well as the minimum security prison in neighboring Lansing. The Kansas Department of Corrections offered reentry services for offenders being released from correctional institutions. The Grossman Center serves as transitional housing assistance for incarcerated minimum security adult men and women eligible for pre-release.

The National Alliance for Mental Illness (NAMI) assists those with mental illness who are homeless. The Guidance Center has a hospital liaison that coordinated discharge from psychiatric hospitals. They also served individuals with mental illness and substance abuse.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Welcome Central is a local agency that provides direct services to the homeless. They serve as a central point of information about assistance throughout the city. Catholic Charities of Northeast Kansas provides direct service to the homeless. Both agencies work to shorten the period of time that individuals or families experience homelessness. Catholic Charities provides Rapid Housing Restart services for the homeless through Emergency Solutions Grant funds provided by the state.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The Leavenworth Public Housing Authority handles a 105-unit high-rise (Planters II) and a voucher program which has housing choice vouchers. In conjunction with the Veteran's Administration, the housing authority administers VASH certificates. These programs serve the City and County public housing needs.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

The Leavenworth Public Housing Authority has an active resident council as an avenue for residents to be involved in management. The City of Leavenworth Home Ownership Program materials are available throughout the community, however, residents of Planters II rarely seek housing elsewhere.

Actions taken to provide assistance to troubled PHAs

The Leavenworth PHA is not categorized as "troubled." We operate a housing authority rated as a high performer.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City of Leavenworth has actively participated in creating the regional Assessing Fair Housing document and plans to pursue identified strategies. To date, no negative effects of public policies on affordable housing and residential investment have been identified.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The primary obstacle to meeting underserved needs and affordable housing is limited funding. Both federal funding and community support have decreased, leaving programs that serve the low/moderate income individuals and families unable to meet the needs in the community.

The CDBG program, United Way, other community agencies and area churches help to meet the underserved needs in our community.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Within the home repair program lead-based paint hazards are addressed as needed for the project. Information on lead based paint practices is given to home ownership applicants for future reference. Information on lead based paint hazards is available at City Hall for residents to access.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

Community job seeking programs and financial planning programs are offered throughout the city by the Leavenworth County Workforce Center, the Leavenworth Public Library, Catholic Charities of Northeast Kansas, and Welcome Central in order to offer poverty-level families a way out of poverty.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

Public service agencies associated through contracts with the City provide specific services, avoid duplication of services and account for the services provided. Altogether, the system serves more than 6,463 activity participants in a year. Agencies are required to provide budgets and monthly reports to the City with monitoring oversight provided by the City of Leavenworth, KHRC and HUD. The structure established has resulted in delivery of the services needed in accordance with federal, state and local codes, and with compassion and respect for the clients served.

The City of Leavenworth CDBG staff participates in the Leavenworth County Human Service Council and meets with local churches and social service agencies to increase the citywide institutional structure. The City has also started a county-wide housing group to tackle housing issues for area residents.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

City employees are members of many local boards and committees and use those memberships to enhance coordination of housing and social service agencies. Examples include: United Way of Leavenworth County, Continuum of Care, Leavenworth County Human Services Council, Leavenworth Housing Group, Leavenworth/Lansing Chamber of Commerce, and Mid America Regional Council.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

In December 2016, the Fair Housing and Equal Opportunity office at HUD approved the Assessment of Fair Housing regional plan which includes Leavenworth. This five year plan will form the basis of our efforts to address fair housing issues. To date we have started a transportation study to look at ways to address this impediment. The study is due December 2017.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Previously, the City of Leavenworth's Community Development Coordinator conducts at least one on-site monitoring visit for each sub-recipient during the program year. Due to staffing limitations this will be reduced to bi-annually on a rotating basis. Following the monitoring, the CD Coordinator provides a follow up letter to the sub-recipient agency to address any issues.

In addition, all in-house projects, e.g. Housing Repair Program, Home Ownership Assistance Program, and Neighborhood Stabilization Programs are monitored by the CD Coordinator. Administrative procedures met all federal rules, regulations and guidelines for compliance and reporting.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City of Leavenworth published a public notice in the Leavenworth Times on Friday, Sept. 1, 2017. The public notice indicated that the CAPER Report was available upon request from the Community Development Dept. and at the reference desk at the Public Library, 417 Spruce St. Public comments were accepted until the Community Development Advisory Board meeting on Sept. 18, 2017.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

In the 2016-17 Annual Action Plan we increased the number of citizens we could assist in home repair and home ownership. We had no applications for institutional rehabilitation funds set aside for public service agencies so some of the funds we used in home ownership. We will continue in 2017-18 to make program improvements so we can serve the low-moderate income residents in our community.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

N.A.

City of Leavenworth Home Ownership Program Processing/Underwriting

In an effort to create uniformity for buyers, and to contain program costs the City of Leavenworth CDBG program has established the following Home Ownership Program processing and underwriting regulations.

A) Processing

1) Loan types

- a) 30 year term fully amortizing, no balloon loans allowed
- b) interest rate must not exceed Freddie Mac's Primary Mortgage Market Survey Rate by more than ½% (<http://www.freddiemac.com>)
- c) adjustable rate mortgages are not allowed
- d) interest only loans are not allowed
- e) all loans must be FHA, VA, USDA Rural Development or conventional loans
- f) buyers may not utilize purchase money Home Equity Lines of Credit (HELOC) until after the 5 year period of the loan

2) Subsidy amount

- a) The grant amount will not exceed 5% of the Contract purchase price for buyers qualifying as moderate income and 8% of the contract purchase price for buyers qualifying as low income. Additionally no grant amount will exceed \$5,000 for buyers qualifying under income guidelines of moderate income and \$8,000 for buyers qualifying under income guidelines of low income.
- d) no monthly payments are required on this loan

3) Buyer's Participation

- a) The buyer must invest at least 2% and no more than 10% of the sale price from their own funds. These funds may not be a gift.
- b) Gifts can be received and will not reduce the HOME investment.
- c) Applicants with non-retirement type assets in the amount of \$10,000, or greater, will be a subject to a spend down requirement.

4) Allowable closing costs

- a) Lender origination fees, not to exceed 1% of loan amount
- b) Title insurance
- c) Credit report recording fees
- d) Appraisal fees
- e) Flood letter
- f) Survey
- g) Tax service fee
- h) Doc prep fee (not to exceed \$250)

5) Fees not allowed

- a) Underwriting fees unless paid to a 3rd party investor at closing. Maximum charge of \$200. Any charge above the maximum must be paid by the lender
- b) Commitment fees are not allowable when an origination fee is also charged
- c) Settlement or closing fees unless paid to a 3rd party; the maximum allowable loan closing fee to either the borrower or a seller is \$200.
- d) Discount points are allowable only if they are disclosed, and agreed upon by the buyer/seller who is paying the fee. In the case of a seller, the seller must agree to pay a discount fee in the sales contract
- e) Real estate sales commissions may not be paid by the buyer
- f) E-mail fees may not be charged to the buyer or the seller

NOTE: KHRC will review the HUD statement for unreasonable charges.

6) Co-signors

Co-signors are not allowed under the KHRC program.

7) Non-U. S. citizens

All applicants must be U.S. citizens or lawful permanent resident aliens to be eligible for KHRC financing. The subject property must be the borrower's principal residence. The borrower must have their own valid social security number. The Program may not be utilized if purchaser uses a Tax Identification Number (TIN) in lieu of a Social Security Number. **IT IS THE LENDERS RESPONSIBILITY TO ENSURE THAT THE SOCIAL SECURITY NUMBER IS VALID.**

10) Homeowners insurance

KHRC requires that we be named as an additional insured on the homeowners' policy and that we be furnished with a copy of the homeowners' policy. The policy must be in an amount at least equal to the total of the first and second mortgages. A homeowners' insurance binder must be included with the closing submission package.

11) Commitment letters may NOT be subject to further credit investigation or additional documents needed to verify employment. Lenders may wish to state that the Commitment letter is based on information relied upon from the application and that any changes in employment could or would void this commitment.

12) Expirations

Confirmed reservations are valid for 60 days.

B) Real Estate Contracts

Sales contracts must be valid, they must be fully executed by all parties who will be conveying title to the borrower(s), and must allow time for loan closing when submitted to KHRC. KHRC requires a copy of the completed sales contract with all addendums. Each buyer executing the Real Estate Purchase Contract must also execute the Disclosure of Information on Lead-Based Paint & Lead-Based Paint Hazards, when applicable. All sellers executing the Real Estate

Purchase Contract must also execute the Affidavit of Home Seller and Seller's Inspection Guidelines.

1) Uniform Relocation Act (URA)

Uniform Relocation Assistance & Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24, requires KHRC to ensure that steps have been taken to minimize the displacement of persons, families or individuals, as a result of a residence being purchased with HOME funds.

Therefore, KHRC's URA policy is that the property being purchased cannot have been a rental property in the last three months unless the renter, at application, is the first time homebuyer, and there was no other renter in the property during the previous three months. No waiver or exceptions may be granted to this policy.

2) Powers of attorney

The seller's affidavit, when executed by an Attorney-in-fact, must adhere to all requirements that would apply if the seller themselves were signing. It is the Lenders responsibility to ensure that good title passes to the buyer when a power of attorney is used. In all cases, a power of attorney may only be used if the same power of attorney was utilized to execute the real estate contract.

Use of a power of attorney for a buyer is acceptable under two circumstances:

- a) active duty military personnel stationed outside of the Continental United States. In this case, a Power of Attorney issued by the Judge Advocate General's office will be acceptable,
- b) buyer is a temporarily or permanently disabled person

3) Waiver of marital rights

A waiver of marital rights will not be acceptable for execution of documents for the Second Promissory Note and Second Mortgage under this program. Each spouse must sign the mortgage loan application papers and all application and closing papers for the Second Promissory Note and Second Mortgage. All persons signing the KHRC documents must occupy the property.

You must calculate the income of both spouses when determining eligibility under the maximum income guidelines, even if a spouse is waiving his/her marital rights for the first mortgage loan. The lender must receive a completed application from the spouse waiving his/her marital rights for the first mortgage. All household income must be considered when determining eligibility for KHRC purposes.