



Community Development

FY23 CAPER

Consolidated Annual Performance and Evaluation Report

HUD Program Year 2022

CR-05 - Goals and Outcomes

Waterloo Community Development Programs focus on the use of its Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funding provided through the U.S. Department of Housing and Urban Development ("HUD"). The information contained in this Consolidated Annual Performance and Evaluation Report ("CAPER") provides assessment of the City's progress towards meeting the stated goals and objectives stated in the 2019-2023 Consolidated Plan and the One Year Action Plan goals and objectives for Program Year ("PY") 2022. The CAPER reports on the City's fiscal year July 1, 2022 through June 30, 2023 for the following federal formula grant programs:

- Community Development Block Grant ("CDBG")
- HOME Investment Partnership Program ("HOME")

The City of Waterloo is the designated lead entity for the Waterloo/Cedar Falls HOME Consortium. The Consortium allows the two local governments to join together in order to receive HOME funding for affordable housing. This allows both cities to benefit from the HOME Investment Partnership funding that each city would not otherwise qualify for under the formula criteria. The City of Waterloo has set forth the following goals according to the community's needs in the Strategic and Annual Plan:

- Provide decent housing in the community by preserving and providing new affordable housing, reducing barriers to housing, increasing supportive housing for those with special needs, and transitioning homeless persons and families into housing.
- Provide suitable living environments by eliminating slums and blight, create safer and more resilient neighborhoods, integrate of low and moderate income residents in both communities with housing opportunities, improve access to public services and facilities, and reinvest in deteriorating neighborhoods.
- Expand economic opportunities through more jobs paying self-sufficient wages, homeownership opportunities, improving access to employment, development activities that promote long-term community viability, and the empowerment of low and moderate income persons to achieve self-sufficiency through public services and other means.

CDBG and HOME funding supported these goals through the Emergency Repair Program, Owner Occupied Rehabilitation through the Lead Hazard Control Program, Rental Rehabilitation, Iowa Heartland Habitat for Humanity Neighborhood Projects, Iowa Heartland Habitat For Humanity CHDO New Construction Projects, First Time Homebuyer Down Payment Assistance, Clearance and Demolition Projects, Boys and Girls Club of the Cedar Valley Phase I Renovation Project, Leisure Services Edison Park Phase I Project, Public Services Projects such as Northeast Iowa

Food Bank, The Salvation Army Homeless Shelters, and Neighborhood Services.

The Consolidated Annual Performance Evaluation Report summarizes 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
Acquisition of Real Property	Affordable Housing	HOME: \$300,000	Homeowner Housing Rehabilitated	Household Housing Unit	4	1	25.00%	4	1	25.00%
Clearance and Demolition	Non-Housing Community Development	CDBG: \$510,727	Buildings Demolished	Buildings	5	6	120.00%	5	4	80.00%
Deposit Assistance Program	Affordable Housing Homeless	HOME: \$101,000	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	125	0	0.00%	50	0	0.00%
Homeownership	Affordable Housing	HOME: \$695,209	Homeowner Housing Added	Household Housing Unit	10	3	30.00%	4	1	25.00%
Homeownership	Affordable Housing	HOME: \$525,000	Direct Financial Assistance to Homebuyers	Households Assisted	30	11	36.67%	10	2	20.00%
Housing Rehabilitation	Affordable Housing		Rental units rehabilitated	Household Housing Unit	60	1	1.67%			

Housing Rehabilitation	Affordable Housing	CDBG: \$70,000 HOME: \$14,534	Homeowner Housing Rehabilitated	Household Housing Unit	110	83	75.45%	22	21	95.45%
Neighborhood Services	Non-Housing Community Development	CDBG: \$85,000	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2500	8335	333.40%	500	500	100.00%
New Construction of Rental Housing	Affordable Housing Homeless Non-Homeless Special Needs		Rental units constructed	Household Housing Unit	6	0	0.00%			
Owner Occupied Emergency Repair	Affordable Housing	CDBG: \$100,000	Homeowner Housing Rehabilitated	Household Housing Unit	90	91	101.11%	18	26	144.44%
Public Facilities and Improvements	Non-Housing Community Development	CDBG: \$430,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	5000	0	0.00%	1000	0	0.00%

Public Services	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$20,000	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2710	49743	1,835.54%	542	18238	3,364.94%
Public Services	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	110	0	0.00%			
Public Services	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	0	0		0	0	

Public Services	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$20,000	Homeless Person Overnight Shelter	Persons Assisted	240	1045	435.42%	48	285	593.75%
Public Services	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development		Homelessness Prevention	Persons Assisted	70	180	257.14%			
Small Business Assistance	Non-Housing Community Development		Businesses assisted	Businesses Assisted	10	2	20.00%			

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



The City of Waterloo was able to address the priority needs through various activities including our highest priority to provide decent, safe and sanitary housing through the following activities completed during the program year.

Community Development Block Grant Funding:

- 9 Homes were rehabilitated with CDBG funds that leveraged Lead Hazard Control funds to remove lead hazards in the home.
- 6 Roof replacements
- 1 Rental rehabilitation project
- 4 Critical repairs completed through Habitat for Humanity.
- 26 Emergency repairs
- 4 Garage demolitions
- 18,238 Individuals were served through the Northeast Iowa Food Bank
- 285 Individuals received overnight shelter through the Salvation Army.
- 500 Individuals served through Neighborhood Services.

HOME Investment Partnership Funding-

- 2 Families received down payment assistance
- 1 New construction project completed by Habitat for Humanity
- 1 Rehabilitation completed by the City of Cedar Falls
- 1 Property was acquired for the purpose of rehabilitation and resale to a low-moderate income family.

Affordable housing remains the City of Waterloo's highest priority. Activities that address affordable housing such as rehabilitation, emergency repairs, Habitat for Humanity Critical Repair Program, down payment assistance, acquisition rehabilitation with resale and new construction projects were allocated 65% of the program year's funding.

During the program year we had an increase in the number of individuals seeking assistance for emergency repairs. Home repairs have become more expensive than ever due to the rising cost of materials and labor. Inflation has most impacted households with elderly and disabled individuals on fixed incomes who are unable to make the costly repairs.

All activities conducted with CDBG and HOME funds benefit low/moderate income individuals and families below 80% of the area median income (AMI) or those living in low/moderate income areas where 51% of the households are below 80% AMI. Of the individuals and families served with CDBG and HOME funds 46% were below 30% AMI, 30% were below 50% AMI, and 24% were below 80% AMI.

Two public facilities activities were allocated funding during program year 22/23 that include the Edison Park Phase I Project and the Boys and Girls Club of the Cedar Valley elevator installation and restroom expansion projects. Both activities are ongoing and will be reported in the following program year. The Edison Phase I project is currently under construction with an estimated completion date of spring 2024. The Boys and Girls Club Project was put on hold until January 2024. The project was put out to bid, however, the project only received one bid that was over budget. The project was put on hold and will be rebid in January of 2024.

The St. Mary's demolition project is also ongoing due to complications with the environmental review process. The project consists of multiple parcels with multiple buildings to be demolished. One of the buildings has possible historic value so additional steps were necessary to complete the environmental review process. The project will demolish multiple buildings on the site for the land to be held for future development of affordable housing.



CR-10 - Racial and Ethnic composition of families assisted

	CDBG	HOME
White	10,319	2
Black or African American	4,176	2
Asian	646	0
American Indian or American Native	45	0
Native Hawaiian or Other Pacific Islander	529	0
Total	15,715	4
Hispanic	78	0
Not Hispanic	15,637	4

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

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Narrative

Additional populations not listed in the table above:

- American Indian / White 55
- American Indian / Black 4
- Asian / White 17
- Black / White 109
- Other 2,672

Many of the families assisted with CDBG and HOME funds include single parent, elderly and disabled, and female headed households. The City of Waterloo continues to assist a multitude of diverse populations within the city. 56% of the population assisted were White, 22% assisted were Black, 3% assisted were Asian, 3% assisted were Hawaiian/Pacific Islander, and 1% assisted were American Indian. The remaining 15% assisted were multi-racial and other populations.

CR-15 - Resources and Investments 91.520(a)

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	1,606,243	859,240
HOME	public - federal	1,691,845	285,238

Table 2 - Resources Made Available

Narrative

Resources made available during FY22/23 include:

CDBG Funding \$1,606,243

\$1,227,581 Annual Allocation

\$8,557 Program Income

\$370,105 Prior Year Resources

HOME Funding \$1,691,845

\$561,026 Annual Allocation

\$9,800 Program Income

\$1,121,019 Prior Year Resources

Expenditure breakdown by funding source for the program year:

CDBG

1% (\$8,550) Clearance and Demolition

56.51% (\$454,557) Housing

15.91% (\$136,683) Parks

10.67% (\$91,667) Public Services including Neighborhood Services

15.92% (136,819) General Program Administration

HOME

89.29% (\$280,185.60) Housing

17.71% (\$50,528.03) General Administration

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Citywide	50	89	The project will be done in the city limits.
Local Targeted Neighborhoods	50	11	Local Targeted Neighborhoods- Projects in the Walnut, Church Row and Gates Park Neighborhoods.
NEIGHBORHOOD REVITALIZATION STRATEGY AREA			

Table 3 – Identify the geographic distribution and location of investments

Narrative

The allocation percentages consist of projects that are tracked by address in the IDIS system. These projects include affordable housing projects such as rehabilitation, emergency repairs, clearance and demolition and down payment assistance. Public service activities and program administration are recorded as citywide activities. The total funding expended during the program year was \$1,144,477.54. The amount spent on Local Targeted Neighborhoods is \$130,130.01 or 11% of the total funding expended.

Leveraging

The City of Waterloo Community Development received a Lead Based Paint Hazard Control Grant that was awarded in FY20 in the amount of \$3,384,678.00. The Lead Hazard Control Grant has a match requirement of 10%. CDBG funds were used to fulfill the grants match requirement. During FY22/23 CDBG funds in the amount of \$123,428.38 along with \$580.46 of owner funds were used to leverage \$858,842.84 of Lead Hazard Control funds to address lead based paint hazards in low-moderate income households living in housing built prior to 1978. To date CDBG and owner funds totaling \$291,360.27 have leveraged \$1,858,740.60 of Lead Hazard Control funds.

HOME funding used as set-aside for the Community Housing Development Organization (CHDO) in the amount of \$73,773 leveraged \$198,736.17 of grants, in kind contributions, and private funds for Habitat for Humanity. The organization completed a new construction project totaling \$272,509.17. The leveraged amount included an in-kind match donation of publicly owned land valued at \$4,973 for the affordable housing project.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	12,273,755
2. Match contributed during current Federal fiscal year	3,140
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	12,275,895
4. Match liability for current Federal fiscal year	0
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	12,275,895

Table 4 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
HM13.0016 1177 Bourland	09/15/2022	1,140	0	0	0	0	0	1,140
HM13.0016 1628 Cherry Hills	09/02/2022	1,000	0	0	0	0	0	1,000
HM14B.0007 Roosevelt Apartments	03/14/2023	1,000	0	0	0	0	0	1,000

Table 5 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at begin-ning of reporting period \$	Amount received during reporting period \$	Total amount expended during reporting period \$	Amount expended for TBRA \$	Balance on hand at end of reporting period \$
72,017	25,759	56,357	0	41,419

Table 6 – Program Income

Minority Business Enterprises and Women Business Enterprises						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	0	0	0	0	0	0
Number	1	0	0	0	0	1
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	0	0	0			
Number	0	0	0			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 7 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

Table 8 – Minority Owners of Rental Property

Relocation and Real Property Acquisition		
Parcels Acquired	1	23,000
Businesses Displaced	0	0

Nonprofit Organizations Displaced		0	0			
Households Temporarily Relocated, not Displaced		0	0			
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 9 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	48	285
Number of Non-Homeless households to be provided affordable housing units	542	51
Number of Special-Needs households to be provided affordable housing units	0	0
Total	590	336

Table 10 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	50	0
Number of households supported through The Production of New Units	4	1
Number of households supported through Rehab of Existing Units	52	48
Number of households supported through Acquisition of Existing Units	10	1
Total	116	50

Table 11 – Number of Households Supported

During the program year the Salvation Army had a goal to serve 48 individuals through overnight shelter services. The shelter reported assisting 285 individuals as they have seen an increase in homeless individuals in need of shelter since the COVID-19 pandemic.

The non-homeless goal of 542 fell short during the program year. The shortfall is attributed to agencies that were unable to expend funding within the program year. The COVID-19 pandemic created available resources for various agencies through local, State and Federal funding. With multiple sources of funding available many of the agencies were unable to expend all of the funding within the contracted period. Extensions have been provided to agencies with leftover funding and will be reported in the next program year. Waterloo Community Development faced staff shortages of 2 rehabilitation specialists and 1 intake specialist leaving only 1 rehabilitation specialist to complete affordable housing projects. This paired with a contractor shortage slowed the progress of meeting the non-homeless affordable housing goal.

Multiple projects were also deemed infeasible during the program year due to the requirements on historic homes that contribute to a potential district. The environmental review requires a concurrence

from the State Historic Preservation Office (SHPO). Multiple homes in the city that were slotted to receive assistance became infeasible due to the high cost of complying with the SHPO requirements.

New home construction has also been impacted during the fiscal year due to rising home prices in the area. As home prices continue to rise, the ability to keep a new construction home sales price under the HOME Value Limit of \$251,000 has become almost impossible. This had a large impact on the community as the city's housing stock continues to age; the construction of new affordable housing is needed now more than ever.

Homeownership activities slowed as rising interest rates and increasing home prices made homeownership unaffordable for individuals and families that are below 80% AMI. Our down payment assistance program offered first time homebuyers a maximum \$10,000 of down payment and closing cost assistance. Many of the homebuyers seeking down payment assistance were unable to meet the underwriting requirements due to the amount of monthly income that would be expended on the housing principle, interest, taxes and insurance (PITI). The \$10,000 assistance was not enough assistance to bring the first time homebuyers into the qualifying front and back end ratios. The underwriting policy has a maximum front end ratio of 30% for PITI and a maximum of 43% for the back end ratio which includes all monthly expenses. As a result, first time homebuyers were unable to purchase homes due to the rise in housing prices. Waterloo Community Development implemented an increase in both the back end ratio and maximum assistance provided. The back end ratio was changed to 50% of the applicant's monthly income and the maximum down payment assistance was increased to \$25,000 in efforts to increase homeownership in the City.

Waterloo Community Development is constantly adapting programs to meet the needs of the community and the ever changing environment. Future programs will incorporate higher program maximums. The Emergency Repair Program will increase its project maximum to \$7,500 without director approval. Any projects exceeding the project maximum will require director approval so all projects can be considered. Housing rehabilitation has always been a top priority and will continue to receive priority funding through the 5-Year Consolidated Plan period. Agencies that were unable to expend funding during the program year for affordable housing activities will be given contract extensions and will not receive additional funds until the current funding has been depleted.

Future activities will be implemented to increase homeownership for low/moderate income individuals and families. HOME and CDBG funds will be used to acquire properties that will be rehabilitated and sold to low income homebuyers. Properties can either be purchased or acquired through the 657A process to be rehabilitated. If the property has a structure that cannot be rehabilitated the structure will be demolished and reconstructed into new affordable housing. Land currently held by the City can be used for new construction development of affordable housing to be sold to low/moderate income individuals and families.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	20	0
Low-income	34	0
Moderate-income	12	4
Total	66	4

Table 12 – Number of Households Served

Narrative Information

During the program year, challenges such as staff shortage, contractor shortages, high material and labor costs, and rising housing prices had an effect on the outcome of affordable housing activities. Adapting programs to meet the ever changing needs of the community is required to prevent homelessness and preserve the affordable housing stock. The effects of COVID-19 continue to have impacts on the community. Waterloo Community Development will continue to assess the needs of the community and develop programs that meet those needs.

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

The Salvation Army is our main provider of homeless outreach and shelter-based outreach to persons experiencing homelessness. The Salvation Army currently uses the Homeless Management Information System (HMIS) to track, record and store characteristics and service needs of homeless individuals. Community Development staff receives information regarding the CoC weekly placement meeting held every Tuesday. Agencies discuss the Iowa Coordinated Services Network Homeless Prioritization List to determine a coordinated effort to assist homeless individuals in the region. The Community Development staff also attends the Black Hawk County Homeless Coordinating Board meetings to assess the needs of the community. People's Community Health Clinic also offers a Homeless Outreach Program that provides assistance with health and dental appointments, education on the importance of medical care, community agency outreach and housing needs.

The Salvation Army is our best resource for addressing chronically homeless and emergency shelter services. The Salvation Army currently provides a number of counseling services for mental health, domestic abuse and addiction counseling. Through the use of the HMIS system, individuals and services are tracked so chronic homelessness can be addressed. The Salvation Army provides outreach for job training, housing and transportation needs. The City of Waterloo funds The Salvation Army emergency shelters. The Salvation Army provides a 32 bed/8 unit facility for women and children, an 18 bed facility for men and 1 housing facility to meet the needs of family shelter. The Catholic Worker House also provides 22 beds; 15 for men and 7 for woman. Transitional housing services are provided by The House of Hope which is a 10 unit facility with a total of 24 beds.

Individuals who are discharged from publicly funded institutions such as health care facilities, mental health facilities, foster care, and corrections programs and institutions are more likely to become homeless after being discharged. The Black Hawk County Local Homeless Coordinating Board (LHCB) coordinates efforts among service providers and local government agencies to promote expansion of permanent housing for people experiencing homelessness. The LHCB along with other homeless service providers in Iowa's Balance of State CoC have developed a Coordinated Entry system to expedite the process for people experiencing or at risk of homelessness to receive assistance. The Coordinated Entry System will standardize the intake process by homeless service providers so people in need are referred to the most appropriate programs. People's Community Health Clinic also connects homeless individuals with medical services, dental care, meals and shelter.

The City of Waterloo does not receive ESG funding directly. Iowa's Balance of State CoC would be responsible for implementing their homeless discharge coordination policy. This is also done through the Local Homeless Coordinating Board. The agencies that make up the CoC and LHCB meet weekly to place homeless individuals into stable housing.

The State of Iowa is covered by four Continuum of Care, or networks of local governments, health and social service providers, with Woodbury, Pottawattamie, and Polk Counties each having separate CoCs.

Waterloo and Black Hawk County are part of the "Balance of State" Coc. The CoC works with homeless populations from intake to self-sufficient independent living. The CoC works with emergency shelters, transitional housing agencies, rapid rehousing organizations and permanent supportive housing preventing individuals and families who were recently homeless from becoming homeless again. Cedar Valley Friends of the Family provides 16 family units with 17 beds total. Community Housing Initiatives also provides 12 units with 13 beds, 1 family unit with 2 beds and 11 adult only beds. In addition to permanent supportive housing, Operation Threshold has 30 units and Exceptional Persons Inc. has 7 units that are used for rapid re-housing.

All shelter participants engage in an assessment process that includes the Coordinated Entry Diversion tool, the Vulnerability Index & Services Prioritization Decision Assistance Tool (VI-SPDAT), and the Salvation Army's Pathway of Hope assessments. These assessments and tools aid individuals and families in determining which individuals or families are most in need of emergency shelter and those who are better served through diversion or referral. Participants are continually assessed and revised with the aid of shelter care managers. As needs change, the program participant is provided additional appropriate referrals or services with the ultimate goal of successful exit to permanent housing.

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

The Waterloo Housing Authority operates a 50 apartment facility for elderly and disabled income eligible tenants. The City uses the Capital Funds Program as well as operating revenue reserves to make improvements to our public housing site-Ridgeway Towers.

The Waterloo Housing Authority is currently authorized 1063 all-purpose vouchers, 19 VASH vouchers, 9 FYI (Foster Youth to Independence) vouchers and 15 Emergency Housing Vouchers for a total of 1106 vouchers. 75% of the families served by Section 8 must be very low income to be admitted to the program. There is still a great need for public housing assistance, demonstrated by its two year waiting list with approximately 1550 people waiting for Section 8 assistance. Ridgeway Towers has a current waitlist of 30 individuals with a waiting period of approximately one year.

The Section 8 program has seen a decrease in voucher utilization due to a lack of participating landlords. The Housing Authority is experiencing difficulties in getting required repairs completed due to and lack of maintenance staff. The success rate of vouchers issued is at 51% which is down even further from the previous 57%. The Waterloo Housing Authority is working to increase the number of landlords participating in the program by meeting with investors and potential landlords to ensure program success. Additionally, payment standards for the program have been raised over \$100/month during the past year to encourage landlord participation.

Planned improvements to Waterloo's public housing includes remodeling kitchens in all 50 units and the community room beginning in 2024.

Actions to encourage public housing residents to become more involved in management and participate in homeownership include having tenant representation on the Waterloo Housing Authority Board of Directors. The Housing Authority holds regular quarterly meetings with residents to encourage suggestions for improvements to the building both physical and policy. The public housing facility is currently designated 62 and older, therefore, residents are not interested in homeownership.

The Section 8 Home Ownership Program permits eligible participants in the Section 8 Housing Choice Voucher Program, including participants with portable vouchers, the option of purchasing a home with the Section 8 assistance rather than renting. The home ownership option is limited to 30 vouchers out of the total Section 8 voucher program budgeted by the PHA. The program is available to current participants who have completed an initial Section 8 lease term consisting of 12 months, do not owe monies to the City of Waterloo Housing Authority or any other Housing Authority for any outstanding debt, and who meet the eligibility criteria. Additionally, participants who are in violation of their family obligations while receiving Section 8 assistance shall be ineligible for participation in the Section 8 Home Ownership Program.

The Waterloo Housing Authority is currently designated a high performer through the annual Section Eight Management Assessment Program (SEMAP). SEMAP measures the performance of the public housing agencies that administer the Housing Choice Voucher Program in 13 key areas. The Waterloo Housing Authority has also achieved "High Performer" status through PHAS (Public Housing Assessment System) which looks at management (includes occupancy rates), physical, and financial status of the project.

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

The City of Waterloo continues to provide tax abatement for any property improvements in the Consolidated Urban Revitalization Area (CURA). The CURA provides incentives for existing neighborhood investment and redevelopment. The CURA is eligible for residential, commercial, and industrial incentives on the inner portions of the community. It helps create potential redevelopment opportunities for all types of development. The City's continued use of the 657A is used to eliminate blight which becomes an important factor in revitalization, growth, and re-creation of parts of Waterloo. Other tax credits for homeowners include low-income credits, veteran's credit, and a homestead credit to help keep housing affordable.

Public policies can also have negative effects on the community. For example, low-income homeowners are faced with emergency burdens such as water or sewer main breaks unexpectedly. If the homeowner is unable to get the main break fixed in a timely manner the city will get the work completed and assess the homeowner's taxes. Currently this is the same with sidewalk repairs and other imminent repairs. This type of assessment causes a burden on low-income homeowners. The assessment payment must be paid in addition to the property tax or the property will be sold at a tax sale. If the homeowner is unable to redeem the home, the homeowner could be faced with losing their home due to such assessments. Our Emergency Repair Program plays a vital role in preventing homelessness for this very reason. We are able to get the repairs made for the homeowners as a grant or a loan with no tax assessment.

Waterloo Community Development staff work closely with Code Enforcement to assist clients with code violations before action is taken. Community Development will assess the violation to see if any assistance can be offered to remedy the situation before tickets are written or court summons are issued. Staff meets with Code Enforcement on a monthly basis to discuss pending and existing cases. Code enforcement will refer individuals that cannot afford to address code violations to Community Development for assistance. Clients are referred to Community Development to seek the necessary assistance to avoid citations for code regarding roof replacement, and garage demolition.

The Waterloo Housing Task Force was formed to address housing issues in the City. Substandard rental units were an area of concern for the Housing Task Force. The City is seeing a growing number of dilapidated units that lack proper maintenance to make the homes suitable for living. Many of these homes are found in areas of high poverty concentration. During the fiscal year the goals of the Housing Task Force was to increase the number of rental inspections being completed each year, reduce the number of illegal conversions, increase rental registration and stabilize rental housing. To accomplish this an additional rental inspector was hired increasing the number of inspectors to two. Rental housing codes were updated and fines were increased for non-compliance.

Waterloo Community Development has implemented programs based specifically on meeting underserved needs such as homebuyer assistance for low-moderate income homebuyers. The program provides down payment and closing cost assistance to first time low-moderate income homebuyers.

Down payment and closing costs are often a barrier for low income households becoming homeowners.

The emergency repair programs provide low-moderate income households assistance with emergency situations that they may not be prepared to handle. During the fiscal year emergency repairs often included water service lines, sewer lines, hot water heaters, furnace and A/C units, plumbing leaks and electrical emergencies.

The Rental Rehabilitation Loan Program was designed to provide landlords with rental properties occupied by low income occupants a zero interest loan to make necessary repairs such as roof replacement, windows, siding, electrical updates etc. to keep the home habitable and meet housing quality standards.

Beginning January 1, 2021 The City of Waterloo was awarded an additional Lead Hazard Control Grant in the amount of \$3.8 million dollars to be used over a forty-two month time span. The funds are used to provide interim controls and lead abatement activities to 105 homes in Waterloo. To date funds have been used to complete 53 Lead Hazard Control Projects. The funds will be paired with CDBG funds to provide income eligible owner occupied unit's rehabilitation services along with the interim control and lead abatement services. CDBG is also used to satisfy a 10% match requirement for the Lead Hazard Control Grant. Rental units with tenants that meet the income eligibility requirements may also receive the lead services. The City has partnered with The Black Hawk County Health Department for LIRA and Healthy Homes Assessments as well as lead dust clearance testing and program outreach and education. The county is also providing the blood lead level testing for children participating in the program. Lead safe practices are used on every rehabilitation project regardless of the funding source. Waterloo Community Development also provides free 24 Hour Worker, 40 Hour Lead Contractor, and 8 Hour Lead Refresher Courses at no charge to contractors and workers. The workers and contractors are responsible for securing their own licensing with the State.

The City of Waterloo has a number of action agencies that help reduce the number of poverty families in the community. Funding was provided to The Salvation Army for the operation of its overnight shelter services. The Northeast Iowa Food Bank was funded to provide staffing for its food pantry. There are a number of foundations along with Community Development that provide funding to public services agencies to help reduce the number of poverty-level individuals and families in the City. Operation Threshold provides services such as housing, energy assistance and WIC. Department of Human Services provides childcare assistance and food assistance to help families become self-sufficient.

The Waterloo Housing Authority has been providing case management services to Section 8 assisted families since 1992. Families use the Family Self-Sufficiency (FSS) program to meet goals on a personal action plan developed by the case manager and the client to become economically self-sufficient within five years.

Neighborhood Services provides neighborhood outreach connecting residents with programs and agencies to help meet the needs and help families become self-sufficient through job training, education

and financial planning. Neighborhood Services has also partnered with Habitat for Humanity to provide homebuyer education classes to low-moderate income individuals looking to purchase a home. The classes educate individuals on the responsibilities and roles they will have as a homeowner. Homeownership also creates generational wealth and continues to be a high priority for the City of Waterloo.

Waterloo Community Development participates in a number of efforts to coordinate housing and services. For example, Waterloo Community Development staff participates in Habitat for Humanity's Church Row Action Team Initiative. The goals of the initiative is to increase public improvements to parks and streetscapes, clean up blighted and vacant homes, add new homes to the tax role, and rehabilitate the aging housing stock in the neighborhood.

The Waterloo Community Development Board holds monthly meetings to discuss and approve plans, projects and services provided. For example, the board constantly reviews policies and procedures to determine if components hinders or prevents clients from accessing services by way of eligibility.

The City of Waterloo along with the City of Cedar Falls participate in a HOME Investment Partnership Consortium which allows both cities to receive funding that would not otherwise be available to each grantee on an individual basis. HOME funds can be used on a variety of housing activities including tenant based rental assistance, housing rehabilitation, assistance to homebuyers and new construction housing.

The City of Waterloo implemented the Housing Task Force to discuss and make recommendations to the City Council on housing related issues. The Housing Task Force is a group of individuals from multi city departments that are engaged in housing related activities. The departments include building inspections, code enforcement, Waterloo Housing Authority, Community Development, the legal department and the Mayor's office.

Waterloo Community Development is involved with a number of committees and foundations that come together to provide funding for services in the community. By uniting the services, partnerships are made between the public and private housing and social service agencies. Waterloo Community Development provided funding during the current and prior fiscal years to the following housing and social service agencies:

- Iowa Heartland Habitat for Humanity- Funds were provided to assist with the housing preservation projects in the Walnut and Church Row Neighborhoods.
- Habitat for Humanity Action Teams- Participation as an agency to create suitable living environments in the Church Row neighborhood.
- Northeast Iowa Food Bank- Funds were provided to assist with the increasing number of individuals and families seeking assistance due to food insecurity.
- Walnut Neighborhood Meeting- Participate in the monthly Walnut Neighborhood meeting to coordinate the revitalization happening in the neighborhood.

- Conduct monthly meetings with the Black Hawk County Health Department to discuss possible projects and households that have a child with an elevated blood lead level. Black Hawk County Health Department also provides community outreach for the Lead Hazard Control Program.

Actions taken by the City of Waterloo to overcome the effects of impediments identified in the jurisdictions analysis of impediments to fair housing choice include:

- All CDBG and HOME programs help to address the growing mismatch between real income and housing cost (A4).
- The City continues to provide tax abatement to keep housing affordable in the CURA and allow homeowners to make needed home improvements (A2).
- Staff has developed a comprehensive strategy to meet the market needs of the Limited English Proficiency (LEP) population (A1).
- The Waterloo Police Department has a list of translators for various languages, and we have a working relationship with the Waterloo Schools since they have numerous interpreters on staff. The YWCA has a multi-lingual staff member who will provide one-on-one housing counseling for non-English speakers.
- The Mayor has implemented the Housing Task Force comprised of The Waterloo Housing Authority, Community Development, Planning and Zoning, the City attorney, the City clerk, and the City communications director that meet to discuss and resolve housing issues. (A1).
- Waterloo Community Development provides down payment assistance for low income first time homebuyers closing the income gap for homeownership. (A4)

CR-40 - Monitoring 91.220 and 91.230

Community Development provides a training session at the start of each program year requiring mandatory attendance by all sub recipients. During this training, an overview is provided on the federal requirements, income guidelines, and general information. Each agency is encouraged to “ask before doing” if they are not familiar with federal guidelines. We also incorporated the Outcome Performance Measurement component during this training to help us comply with HUD’s desire to better measure the impact of our programs. An on-site monitoring visit or desk monitoring is completed with each sub recipient during the program year to ensure continued compliance. During the fiscal year all activities that expended funds were monitored using procedures from the HUD monitoring handbook. Desk monitoring of rents, invoices, payments and client files, activities and projects were done via zoom meetings and scanning and emailing requested documents. During the monitoring process, the project progress, financial information and project files are reviewed to ensure compliance with Federal program regulations. The review also includes verification of marketing materials, income verification of applicants, insurance and audit materials, and other applicable materials to ensure continued compliance. Monitoring procedures were also required to be completed prior to any pay requests made by public service agencies and before final payments on any completed projects. New agencies requesting payment were required to submit client file samples prior to pay requests to ensure client income determinations were being completed correctly. Ongoing technical assistance was provided to all contracted agencies to ensure regulation compliance. Through the monitoring process if an agency or project was not in compliance a monitoring letter was sent out and the agency is given a specific time period to remediate the deficiency.

Community Development also conducts an inspection of units for applicable rental rehabilitation programs, homebuyer assistance programs and rental programs to ensure that housing quality standards are met. The Uniform Physical Conditions inspection requirement is completed for the necessary number of units for each property with appropriate notice provided to the resident. When appropriate, efforts between the state and city are combined so inspections are not duplicated. Any identified deficiencies are shared with the sub recipient in a letter and the sub recipient is then required to demonstrate compliance. A follow-up letter is sent to the agency once they are in compliance for their records which includes information on confirmation of the measures they undertook to come into compliance.

Public service agencies are required to submit an Accomplishment Report with each draw request. The Accomplishment Report includes the household data including household size, race, ethnicity, household income level, elderly, disabled and female headed household information. Subrecipients conducting housing related activities such as rehabilitation or senior home modifications are required to submit a Project Data Sheet for project approval. Upon receipt of the Project Data Sheet an environmental review is conducted to determine if a project can proceed, if the project needs to be modified, or if the project needs to be cancelled. All projects must be pre-approved by Waterloo Community Development. Accomplishment Reports and Project Data Sheets are reviewed and sample monitoring is conducted on random draw requests and housing projects.

Public Hearings are held throughout the program year to provide citizens a chance to comment on projects. Various projects provide a short survey for participants to fill out. We use these surveys and comments to improve individual projects. The draft CAPER, One-Year Action Plan and 5-Year Consolidated Plan are made available for public review and comment at the Waterloo Community Development Office, the City Clerk's office, and as well as on the City's website. Notices for the reviews and comment periods are published in the Waterloo/Cedar Falls Courier.

The FY23 CAPER Public Notice was published in the Waterloo/Cedar Falls Courier on December 26, 2023. The 15 day comment period began on December 27, 2023 and concluded on January 13, 2024. No comments were received during the period. A Public Hearing was held on January 16, 2024 during the City Council meeting. Anyone wishing to participate was encouraged to contact Waterloo Community Development for meeting details. A copy of the Public Notice can be viewed in the Administration section attachments.

CR-45 - CDBG 91.520(c)

The objectives of the City of Waterloo remain the same and unchanged. However, the ideas and the approaches to achieving the defined objectives are always revolving. Policies and procedures will be reviewed to remove barriers on an as needed basis.

CR-50 - HOME 24 CFR 91.520(d)

The City of Waterloo currently has 5 HOME assisted rental developments under contract. Liberty Manor, Unity Square, Marsh Place Apartments, Roosevelt Apartments and Highland Park Apartments require annual unit inspections. These inspections are normally conducted in the spring by the rehabilitation staff. During the program year Waterloo Community Development was short two rehabilitation staff people and an intake specialist. Due to having one rehabilitation specialist the inspections were not conducted. The two rehabilitation positions have been filled and the staff members are undergoing training for inspections, environmental review, lead inspection risk assessment and lead contractor licensing. The unit inspections will be completed once staff is ready to work at full capacity.

All HOME-assisted projects are required to follow federal regulations regarding income and occupancy in the selection of tenants throughout the affordability period. All projects must have a HOME Tenant Selection Policy/Affirmative Fair Housing Marketing Plan. HOME-assisted projects must market and take action to attract eligible persons in market area without regard to race, color, national origin, sex, religion, familial status, or disability.

Many of our HOME-assisted units are located in minority areas and specifically marketed directly toward the African-American community. Marketing and outreach is performed through local service agencies such as The Jesse Cosby Center, Martin Luther King Center, The Waterloo Housing Authority, Human Rights Commission and local churches. These agencies are notified regularly to help fill vacant units. Owners also place ads in the Waterloo/CF Courier when apartments are vacant. HOME-assisted units make marketing to minority groups such as African-American, Hispanic, Bosnian and Asian/Pacific Islander as well as disabled communities a priority in efforts to fill vacant units.

All HOME-assisted units must inform the public, and potential tenants about Federal fair housing laws and must use the Equal Housing Opportunity logo on marketing materials and written communications. During monitoring sessions rentals must provide their most current marketing plan unless there is an existing waitlist for those units. When deficiencies of these regulations are identified, they are noted and corrective actions are taken by the sub recipients. The review of the material is conducted during the annual monitoring inspection.

The HOME Program had \$72,017.45 of program income on hand at the beginning of the program year. During the program year \$25,758.93 was received and \$56,357.23 was expended. At the end of the program year the program income balance on hand was \$41,419.15. The HOME program income was expended on the following projects during the program year:

Homebuyer Assistance

- \$9,978 to a black non-hispanic single parent household with 2 children at 78% AMI for the purchase of 315 Clough St.

Owner Occupied Rehabilitation Assistance

- \$4,058.40 to a single family rehabilitation in the City of Cedar Falls located at 210 Balboa Ave. Provided \$26,200. The home is occupied by a white non-hispanic single elderly female headed household at 39% AMI.

CHDO New Construction

- \$16,301.04 to a new construction home at 1633 Calhoun St. through a partnership with Habitat for Humanity. The home was purchased by a white non-hispanic single parent, female headed household with 3 children at 56% AMI.

Aquisition-Rehab-Resale

- \$26,019.79 to an aquisition with rehab/resale project located at 232 Ricker St. This project is ongoing so no demographic information is available.

Waterloo Community Development has played a primary role in providing assistance to create and sustain the affordable housing stock in the City. The city makes a significant contribution to housing affordability and preservation, including but not limited to:

- Funding for housing rehabilitation
- Funding for CHDO new construction projects.
- Funding homebuyer assistance programs.
- Funding acquisition rehab resale projects.

CR-58 – Section 3

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours					
Total Section 3 Worker Hours					
Total Targeted Section 3 Worker Hours					

Table 13 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					
Other.					

Table 14 – Qualitative Efforts - Number of Activities by Program

Narrative

The City of Waterloo did not complete any activities that required Section 3 reporting during FY22/23 with CDBG or HOME funds.