

---

# Annual Report on Community Development Activity in Fargo

---

## **HUD - Consolidated Annual Performance and Evaluation Report**

City of Fargo, North Dakota  
Fiscal Year 2003  
(May 1, 2003 - April 30, 2004)

# Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>SUMMARY OF RESOURCES.....</b>	<b>2</b>
FEDERAL RESOURCES .....	3
<i>Direct allocation of Grant Funds.....</i>	3
<i>Activities generating program income.....</i>	3
<i>Administrative Requirements .....</i>	4
OTHER RESOURCES .....	5
<i>Leveraging .....</i>	5
<i>Matching Requirements.....</i>	5
<b>ANNUAL SUMMARY OF PERFORMANCE.....</b>	<b>6</b>
HOUSEHOLDS AND PERSONS ASSISTED BY HUD-FUNDED PROGRAMS.....	6
PROGRESS ON AGENDA SET IN 2003 ACTION PLAN .....	8
<i>Expenditure Summary .....</i>	8
<i>Special Activity notes.....</i>	9
RELATIONSHIP OF ACTIVITIES TO THE CONSOLIDATED PLAN .....	11
<i>Assessment of five year goals and objectives .....</i>	11
<i>Relationship of funding decisions to 5 year goals/objectives .....</i>	12
OTHER ACTIONS UNDERTAKEN.....	14
<i>Affirmatively Furthering Fair Housing .....</i>	14
<i>Affordable Housing.....</i>	14
<i>Actions to address Underserved Needs .....</i>	15
<i>Neighborhood Revitalization Efforts .....</i>	16
<i>Poverty Reduction.....</i>	16
<i>Lead Paint.....</i>	17
<i>Affirmative Marketing and MBE/WBE Contracting.....</i>	17
<i>Continuum of Care .....</i>	17
<i>Housing and Redevelopment Authority .....</i>	18
<i>Institutional Gaps and Enhanced Coordination .....</i>	18
<b>SELF EVALUATION OF ANNUAL PERFORMANCE.....</b>	<b>19</b>
PERFORMANCE MEASUREMENT .....	19
GRANT MANAGEMENT.....	20
<b>APPENDIX A: PUBLIC PARTICIPATION.....</b>	<b>21</b>
<b>APPENDIX B: FINANCIAL REPORTS .....</b>	<b>22</b>

## Executive Summary

This report highlights progress that has been made in the implementation of the City of Fargo's Comprehensive Housing Affordability Strategy and Consolidated Plan for Housing and Community Development. The report covers the time period of May 1, 2003 to April 30, 2004. Activities discussed in this report include those implemented by the City of Fargo Planning and Development Department and the Fargo Housing and Redevelopment Authority (HRA).

### Resources

The City of Fargo received a CDBG award of \$861,000 in fiscal year 2003. This represented a less than 1 percent reduction from the prior year. The City received its first HOME award as a Participating Jurisdiction in 2003, in the amount of \$750,000. The city met the \$750,000 threshold requirement by combining three sources of funds: \$592,179 direct allocation from HUD, \$112,500 contribution from the State of North Dakota, and \$45,321 in local funds.

Community development programs realized more than \$460,000 in program income revenue in the 2003 program year: \$172,000 from the HOME program and \$288,000 from CDBG activities.

### Grant Management

All of the activities undertaken by the City of Fargo in fiscal year 2003 met one of the three HUD National Objectives. 74 percent of CDBG activity expenditures provided benefit to low and moderate income households and/or areas. Just under 12 percent of CDBG expenditures went to public service activities and 18 percent was spent on Administration-related activities.

100 percent of non-admin HOME fund expenditures provided benefit to low income households.

The City has also complied with the other grant management requirements associated with the HOME and CDBG programs in 2003 (timeliness, match contribution, and CHDO reserve).

### Priorities

Housing continues to be an important community development issue for the city. Efforts focus on overall affordability concerns, with specific attention to affordable home ownership opportunities. Of the total \$2.308 million in federal funds spent in 2003, 52 percent went to fund housing activities. 24 percent of the CDBG funds that were spent in 2003 funded Owner and Rental Housing Rehab, Rental Housing Inspection, and Housing Education projects. All of the non-administrative HOME funds went directly to housing activities, funding owner occupied rehab, the downpayment assistance program, and three special needs/rental housing projects (Graver Rental Rehab, Sister's Path permanent supportive housing, and YWCA Transitional Housing).

Significant funding was also dedicated to downtown revitalization, primarily through the City's storefront rehabilitation program. In 2003, a large accessibility project also benefited a downtown project. The level of interest in downtown projects (rental housing, storefront rehab, accessibility improvements) has remained high, due in large part to the momentum that has been generated by the City's concerted downtown revitalization effort. Federal resources are often used in conjunction with the Renaissance Zone development incentives available in the downtown area.

## Summary of Resources

Community development activities are carried out by the Community Development division of the Fargo Department of Planning and Development. The majority of administrative support for these activities is funded by HUD grant dollars; however, a portion of staff salaries and program operating costs are funded with city general fund revenues.

	FY 2002	FY 2003
<b>CDBG</b>		
Grant	\$866,000.00	\$861,000.00
Program Income	\$72,255.77	\$144,596.68
Revolving Fund	\$58,066.10	\$144,444.52
<b>HOME</b>		
Grant	\$592,000.00	\$704,679.00
Program Income	\$184,901.50	\$172,004.00
PJ Designation – local share	\$0.00	\$45,321.00
<b>LOCAL</b>		
Rehab – homeowner share	\$63,859.98	\$188,523.00
Rental Rehab – recipient share	n/a	\$105,505.00
Downtown proj – recipient share	\$752,000.00	\$849,637.00 <sup>1</sup>
Private grant funds	\$0.00	\$0.00
<b>TOTAL RESOURCES</b>	<b>\$2,589,083.35</b>	<b>\$3,215,710.20</b>

<sup>1</sup> HUD activities #125 and #225 provided assistance to the *NDSU Downtown* project. Federal funds were used for both accessibility improvements to the building and for some façade renovation. The CDBG funds (\$400,000 budgeted) are part of a \$7.5 million renovation of the building. The additional \$7.1 million project cost (above the CDBG contribution) is not included in the above “leveraging” table because the size of the project makes it a statistical “outlier”.

## FEDERAL RESOURCES

### Direct allocation of Grant Funds

---

The City of Fargo received a CDBG award of \$861,000 in fiscal year 2003. This represented a less than 1 percent reduction from the prior year.

The City received its first HOME award as a Participating Jurisdiction in 2003, in the amount of \$750,000. The city met the \$750,000 threshold requirement by combining three sources of funds: \$592,179 direct allocation from HUD, \$112,500 contribution from the State of North Dakota, and \$45,321 in local funds.

The chart below illustrates the importance of “program income” to Fargo’s overall community development budget.

	<b>CDBG</b>	<b>HOME</b>	<b>Program Inc</b>	<b>Total</b>
1999	849,000	405,000	393,102	\$1,647,102
2000	852,000	505,000	375,239	\$1,732,239
2001	883,000	562,000	606,817	\$2,051,817
2002	866,000	592,000	315,224	\$1,773,224
2003	861,000	704,679	506,367	\$2,072,046
2004	835,000	591,641 <sup>2</sup>		

### Activities generating program income

---

The City realized more than \$460,000 in program income revenue in the 2003 program year: \$172,000 from the HOME program and \$288,000 from CDBG activities.

#### **Revolving Fund**

The HART program is set up as a revolving fund in IDIS so, the program income generated from the sale of the properties that are rehabilitated is returned to this program and re-used to acquire and rehabilitate additional homes. This revolving fund returned just over \$144,000 in income during the 2003 program year. The city’s Community Development Committee has decided to stop using this revolving fund starting in the 2004 program year. The balance in the revolving fund will be re-classified as program income in the 2004 program year and re-used for CDBG-eligible activities.

#### **Loan Payments**

There are a number of outstanding economic development loans that were originated in the mid-1990s. These loans return approximately \$1,700 in program income every month. A total of \$109,850 in CDBG loan repayments was received in PY 2003. This included \$85,000 in loan payoffs (loans due payable upon sale) and \$24,850 in regularly scheduled loan payments.

The City also changed its policy regarding housing rehab projects in the 2003 program year to include a loan component to the project when both the homeowner’s income and the property value warrants such financing. No payments have been made as of the end of the '03 program year but the city anticipates revenue to the HOME program from this source in future years.

#### **Sale of Property**

The City sold one property that was not included in the revolving fund (HART program) during the 2003 program year. A vacant parcel located in downtown Fargo (originally purchased in 2000/2001) was sold

---

<sup>2</sup> During the 2004 program year, the City of Fargo will also have access to approximately \$31,000 in 2003 ADDI funds from the State of North Dakota and \$56,000 in 2004 ADDI funds, received directly from HUD.

for \$30,000 for the purpose of slum/blight removal. The proceeds of this sale were returned to the CDBG fund to be used for other eligible activities.

### **Recaptured Funds**

The Housing Rehab program (HOME and CDBG) and the Downpayment Assistance program (HOME) are long-standing programs of the City of Fargo. These programs are generating a growing amount of recaptured funds each year, the majority of which is attributable to the HOME program. Funds are recaptured when a homeowner sells his or her property prior to the stated forgiveness period attached to the mortgage. Recaptured funds are based on net proceeds of the sale. The City received \$172,000 in recaptured funds in PY2003 (all attributable to the HOME program).

### **Other**

The Native American Center (#46) pays a monthly rent of \$225 for use of the facility that is owned and maintained by the City. There are also parking spaces for rent adjacent to this building which brings in about \$100 per month. A total of \$4,746 in miscellaneous revenues was returned to the CDBG program in the 2003 program year.

## **Administrative Requirements**

---

### **Expenditure Caps**

All of the activities undertaken by the City of Fargo in fiscal year 2003 met one of the three HUD National Objectives. 74 percent of CDBG activity expenditures provided benefit to low and moderate income households and/or areas. Just under 12 percent of CDBG expenditures went to public service activities and 18 percent was spent on Administration-related activities.

100 percent of non-admin HOME fund expenditures provided benefit to low income households.

### **CHDO Reserve Projects - HOME**

As a PJ, the City was required to commit no less than 15% of its 2003 HOME allocation to CHDO projects. In FY2003, the City funded two CHDO projects. The Graver Rental Rehabilitation project received funding in the amount of \$100,000. The project involved the renovation of rental units that serve a very low income population (most earn less than 30 percent AMI). The Sister's Path supportive housing project received \$62,500. The project involved the creation of 12 units of permanent supportive housing for homeless women and their children.

Funds were committed and disbursed for both projects during the 2003 program year. This commitment represents approximately 22 percent of the city's 2003 HOME allocation.

### **Timeliness / Rate of Expenditure**

The City of Fargo was timely in its expenditure of federal resources for both the CDBG and HOME programs during the 2003 program year.

The HOME program requires that 100% of funds be committed within two years and spent within five years of the program year in which they were received by the PJ. In 2003, the City of Fargo had a total of \$750,216 available for commitment (\$704,679 authorized as grant funds and \$45,537 as program income) - 72% of the total available was committed to activities, and 58% was actually disbursed during that time period.

The CDBG program requires that an entitlement community have no more than 1.5 times its grant in the line of credit three months before the end of the program year. In March 2004 (date of timeliness test for Fargo), the City had an "unadjusted" timeliness ratio of 0.95 (0.70 adjusted).

## OTHER RESOURCES

### Leveraging

---

The City of Fargo leverages federal community development resources to the greatest extent possible. Both the CDBG-funded storefront rehabilitation and rental rehab programs are set up as “matching” grants. The purpose of the matching requirement is to leverage additional resources, requiring property owners to contribute equity to the projects along with federal dollars. Since federal dollars for slum and blight related projects are limited, the city agreed in 2003 to finance 5-year low interest loans for storefront renovation project. The loans have helped property owners cover some of the remaining financing gaps in storefront rehab projects.

It is in the area of housing, however, that the most progress has been made in leveraging of resources. In 2001, the City established the Neighborhood Revitalization Initiative, a local housing initiative that is funded with local general fund resources, bond proceeds, and private commitments by a local lending institution (total resources of \$4.3 million as of August 2003). The City also opened a \$2.7 million American Community Fund line of credit with Fannie Mae in the fall of 2002. The line of credit allows for additional leveraging by providing low cost short-term financing to eligible housing projects.

NRI funds accomplish a lot of housing rehabilitation in the city’s older neighborhoods by providing low interest loans to homeowners. One of the specific ways that NRI has leveraged federal resources is in the provision of low interest loans to low income homeowners participating in the city’s HOME-funded rehab program. Oftentimes, the scope of a rehab project exceeds the city’s ability to fund entirely with federal resources. Or, the eligibility formula we use to determine the percent of the project that is eligible for grant indicates that the family should contribute part of the cost of the project. In either case, it is often difficult for these homeowners to obtain alternative sources to allow for completion of the project. The NRI program has been able to provide small loans to these homeowners to facilitate implementation of their projects.

### Matching Requirements

---

Upon becoming a Participating Jurisdiction, the City of Fargo became responsible for documenting appropriate match in conjunction with the receipt of HOME funds. For the 2003 program year, match liability was incurred both on the entitlement funds received from HUD as well as the “threshold” allocation from the state (match liability was not incurred on the local “threshold” contribution of \$45,321).

The following table shows the city’s match activity between May 1, 2003 and April 30, 2004. This reporting period is as per CAPER requirements. The City’s actual match obligation is determined on a federal fiscal year basis (October 1 – September 30).<sup>3</sup>

<b>2003 Program Year</b>	
Funds Drawn	\$157,500
Match Liability incurred	\$39,375
Value of Match Contributions recognized during 2003 program year	\$64,586
Match as % of Total Liability	41%

---

<sup>3</sup> Please note that the City is also current on its match obligation when looking at the federal fiscal year.

## Annual Summary of Performance

### HOUSEHOLDS AND PERSONS ASSISTED BY HUD-FUNDED PROGRAMS

The tables on the next pages provide information on households and homeless persons assisted with housing by the City of Fargo. Records of the persons assisted are maintained in the office of the Fargo Planning and Development Department and are also included in the IDIS Reporting System.

The accomplishment summary below reflects outcomes that resulted from projects that had spent money in the 2003 program year. Since this report is based on money spent as opposed to money budgeted in the 2003 program year, it is difficult to answer the question "did the city meet its goals for the year" unless we look at accomplishments on a project by project basis. To that end, each of the activities achieved the expected outcome that was established at the beginning of the project.

Several 2003 projects had a presumed low/mod benefit; however, the majority of low/mod eligible projects are individually documented under the low/mod clientele criteria. The activities that list low-mod clientele as the appropriate benefit require the project applicant to submit benefit information to the city on a quarterly basis. Each recipient agreement outlines the required benefit parameters.

### SUMMARY OF COMMUNITY DEVELOPMENT ACCOMPLISHMENTS CDBG and HOME PROJECTS COMPLETED IN 2003 PROGRAM YEAR

*Grantee: Fargo*  
*State: North Dakota*

<b>Housing Assistance</b>	
Multi Unit – Housing Units	9
Single Unit – Housing Units	25 <sup>4</sup>
Acquisition for Rehab	2
Direct Homeownership Assistance	59 <sup>5</sup>
Landlord/Tenant Counseling – Households	662
Homebuyer Education – Households	406
Code Enforcement – Housing units	1,415
<b>Public Facilities/Improvements</b>	
Projects completed	7
Business served	8
<b>Public Services or Other Categories</b>	
Projects completed	5
<b>Beneficiaries (non-housing)</b>	
Persons served	4,159
Households served	83

<sup>4</sup> Includes 3 units funded with HOME PJ funds, 15 units funded with HOME program income funds (subrecipient of State of ND), and 7 CDBG funded units.

<sup>5</sup> Includes 10 units funded with HOME PJ funds and 49 units funded with HOME-subrecipient funds.

**SUMMARY OF COMMUNITY DEVELOPMENT ACCOMPLISHMENTS - CDBG and HOME**  
Grantee: Fargo      State: North Dakota      Program Year: 2003

Priority Need Category	Projects assisted	Projects complete
<b>Acquisition/Property Related</b>		
Acquisition (01)	58-60 Broadway (#117, #144) 1012 9 <sup>th</sup> St N (#126)	2
<b>Public Facilities/Improvements</b>		
Homeless Facilities (03C)	New Life Center Accessibility (#188)	1
Parks & Recreational Facilities (03F)	Madison Splash Pad (#165) Roosevelt Playground (#190)	2
Water & Sewer Improvements (03J)	2002 Special Assessments (#170) 2003 Special Assessments (#185)	2
Child Care Centers (03M)	Nokomis II Facility (#189)	1
Other Public Facilities (03)	Native American Program Building (#46) CLS Accessibility (#187) NDSU Downtown Accessibility (#225)	1
<b>Public Services</b>		
Employment Training (05H)	Skills Development Project (#161)	0
Crime Awareness (05I)	Refugee Liaison officer (#193)	1
Landlord/Tenant Counseling (05K)	Tenant Education program (#194)	1
Senior Services (05A)	Snow Removal Program (#77)	0
Public Services - General (05)	Homebuyer Education (#184) CHARISM (#217) Cultural Diversity (#171, #192)	1
<b>Economic Development</b>		
Rehab; Pub/Pvt owned commercial/industrial (14E)	650 NP Ave (#125)      206 Broadway (#147) 300 NP Avenue (#149)      105 Broadway (#150) 114-118 Broadway (#151)      602 Main Avenue (#154) 218 NP Avenue (#182)      714-718 1 <sup>st</sup> Ave N (#197) 12 Broadway (#198)      631 NP Avenue (#199) 14 Roberts Street (#203)      28 10 <sup>th</sup> St N (#208)	8
<b>Other Community Development</b>		
Code Enforcement (15)	Rental Housing Inspection (#158, #183)	2
<b>Housing</b>		
New Construction (12)	Sister's Path Supportive Housing (HOME) YWCA Transitional Housing (HOME)	0
Direct Homeownership Assistance (13)	Downpayment / Closing Cost Assistance (HOME)	1
Rehab; Single unit res. (14A)	Housing Rehab – 2002 (#172) & HOME Housing Rehab – 2003 (#196) & HOME Tree Removal (#206)	1
Rehab; Multi unit res. (14B)	602 Main Avenue (#179) 604 Main Avenue (#180) 105-107 Broadway (#181) Graver Rental Rehab (HOME)	3
Acquisition for Rehab (14G)	807 1 <sup>st</sup> St N – HART (#145) 1538 4 <sup>th</sup> Ave N – HART (#205)	2
<b>Total Completed</b>		<b>29</b>

## PROGRESS ON AGENDA SET IN 2003 ACTION PLAN

All of the projects identified in the 2003 Action Plan are either underway or completed. All projects are progressing according to schedule with completion anticipated for all the remaining projects in the 2004 program year. The City of Fargo continued to support community development related activity in the community by providing certifications of consistency with the Consolidated Plan in fair and timely manner.

### Expenditure Summary

#### 2003 Action Plan Activities

Activities	CDBG Budgeted	HOME Budgeted	Status	Funds Drawn	% of Budget Drawn in '03
1. Downtown Development	152,750 <sup>6</sup>		Underway	65,241	43%
2. Housing Rehabilitation – Owner	100,000	300,000	Underway	165,860 <sup>7</sup>	41%
3. Housing Rehabilitation – Rental	50,000		Underway	0	0%
4. Downpayment Assistance		300,000	Underway	56,000	19%
5. Rental Housing Inspection	21,000		Complete	21,000	100%
6. YWCA transitional housing		85,000	Complete	76,500	90%
7. Accessible Space – supportive housing		50,000	Underway	50,000	100%
8. Sisters Path supportive housing		60,000	Underway	54,000	90%
9. Village – Housing Education program	35,000		Complete	31,776	91%
10. Special Assessments	76,904 <sup>8</sup>		Complete	76,904	100%
11. Arc of Cass County – facility enhancement	7,500		Underway	0	0%
12. Community Living Services – accessibility	1,555 <sup>9</sup>		Complete	1,555	100%
13. New Life Center – accessibility	3,560		Complete	3,560	100%
14. Nokomis Child Care Center – facility acquisition	31,040		Complete	31,040	100%
15. Roosevelt Elementary – playground	5,000		Complete	5,000	100%
16. Southside Neighborhood Resource Center/support	170,000		Underway	9,996	6%
17. Cultural Diversity – Self Sufficiency Program	40,000		Underway	34,820	87%
18. Fargo Police Dept – Refugee Liaison officer	22,000		Complete	22,000	100%
19. Administration/Planning	203,955	55,000	Underway	217,259	84% <sup>10</sup>
20. Graver Rental Rehab <sup>11</sup>		100,000	Underway	90,000	90%
	918,264	950,000		781,410	42%

<sup>6</sup> Budget amount revised from \$200,000 to \$152,750 due to withdrawal of two individual projects.

<sup>7</sup> Includes \$106,402 in draws from HOME program and \$59,395 in draws from the CDBG program.

<sup>8</sup> Budget amount revised from \$50,000 to \$76,904 due to increased demand for assistance.

<sup>9</sup> Budget amount revised from \$2,900 to \$1,555 to reflect actual project costs.

<sup>10</sup> Represents \$188,861 in CDBG draws and \$28,398 in HOME draws, as of April 30, 2004.

<sup>11</sup> Activity added via amendment to 2003 Action Plan in December 2003.

**Acquisition, Relocation or Displacement.**

None of the projects funded with Fargo community development dollars required relocation assistance, nor was displacement an issue.

The HART program (Housing acquisition, Rehab and Training program) involves the acquisition of property. The program is designed to target properties that are severely deteriorated and/or have been on the market for an extended period of time. No new properties were purchased under this program this year.

The rental rehab projects that were either completed or underway followed relocation guidelines and were able to accommodate the needs of existing tenants related to relocation/displacement; no relocation was necessary for the projects to proceed. This includes both the HOME-funded Graver Rental Rehab project and the CDBG funded rental rehab projects at 602-604 Main Avenue and 105-107 Broadway.

Two owner-occupied rehab projects funded with HOME dollars required relocation of the families, as necessitated by the lead paint work that was included in the project. The city followed its relocation policy and covered all temporary relocation costs associated with the moves (total cost of \$8,550).

**Economic Development Activities.**

The City reported spending on 14 economic development projects in the 2003 program year but, none of them had a designated benefit of "low/mod jobs". These activities focused on the elimination of slum and blighted conditions in the downtown area .

Job training was the focus of activity #161 (Skills Development Project). This project provides targeted job skill development to low income individuals (special focus on refugees and underemployed individuals receiving public assistance). In 2003 this project provided funding that allowed 8 low income clients to complete a job training course in manufacturing readiness. The recipient noted that almost all of those clients were offered jobs very soon after completing the program. Two-year program results indicate city funds have been used to assist 33 persons with job training through the Skills Development project. CDBG funds are used to fund the training costs for individuals who do not qualify for any of the other job training resources that are already available through other community programs (i.e., Job Service WIA funds, et al.).

**Presumed benefit activities.**

Activities #187 and #188 (Accessibility - Community Living Services and Accessibility – New Life Center) were both "presumed benefit" activities. The projects involved the removal of architectural barriers at local non-profit agencies where the presumed benefit goes to adult "disabled" individuals (#187) and homeless persons (#188).

All of the activities that list low-mod clientele as the appropriate benefit require the project applicant to submit benefit information to the city on a quarterly basis. Each recipient agreement outlines the required benefit parameters.

**Activities generating program income.**

The State Division of Community Services allows the city to retain any HOME program income/recaptured funds earned as long as it is re-applied to an eligible activity (the program that initially generated the income). The North Dakota HOMENet system is the method by

which these funds are reported and tracked. Any CDBG program income earned by the City is received in to IDIS during the monthly draw process and is then drawn against an eligible activity.

More detailed discussion of activity-specific income generation can be found in the “resources” section of this document.

### **Rehab activities.**

The Fargo owner-occupied Housing Rehab program is funded with a combination of CDBG and HOME funds. The program typically assists approximately 25-30 housing units per year. In 2003, the program assisted 45 separate housing units, completing 25 in that time period.

- CDBG - \$81,900 in grant funds matched with \$3,800 from the homeowners
- HOME - \$440,500 in grant funds matched with \$184,700 from the homeowners
- TOTAL - \$522,400 in grant funds and \$188,500 in private homeowner contributions

The HART program also involves rehabilitation of housing units. The program is funded entirely with CDBG funds. Two HART projects were completed during the 2003 program year (described in more detail in the “one-for-one replacement requirement section that follows).

The City funded a Rental Rehab program that provides assistance to property owners interested in renovating affordable rental units in the downtown area. In 2003, the rental rehab program completed renovation of 9 units. The program is set up as a matching program, with the CDBG assistance forgivable after five years if the property is maintained as an affordable unit serving low/mod tenants for the duration of that “affordability period”.

In addition, the City provided HOME funds for the rehabilitation of 8 rental units in the Graver Rental Rehab project. These units are located in a 60 unit mixed use historic building.

### **One-for-one Replacement Requirement**

Federal funds were not used in the demolition of any housing units in the 2003 program year.

HART program project #145 was acquired with CDBG funds (2002 program year) for the purpose of rehabilitation and resale as an affordable owner occupied housing unit. When the rehabilitation was deemed to be unfeasible with the City as the owner, the property was transferred to the Fargo Neighborhood Revitalization Infill program. The property was sold to a low/mod income homeowner who utilized the local Neighborhood Revitalization Initiative loan program to renovate the property.

HART program project #205 involved the purchase of a vacant lot (2002 program year); the city moved in a home that had been purchased by a local church and flagged for demolition (to accommodate a church expansion). The home was renovated and sold to a low income homeowner in the fall of 2003.

### **On-site inspection of assisted rental housing (HOME)**

None of the projects funded by the City of Fargo as a PJ that would require on-site inspection of HOME-assisted units had been completed as of the end of the 2003 program year. However, on-site inspections affiliated with state-funded HOME projects continued according to the established monitoring schedule.

## RELATIONSHIP OF ACTIVITIES TO THE CONSOLIDATED PLAN

The City has provided requested certifications of consistency for HUD Programs in a fair and impartial manner, for which the City indicated that it would support application by other entities. The City did not hinder Consolidated Plan implementation by action or willful inaction.

### Assessment of five year goals and objectives

---

The 2000-2004 Consolidated Plan outlined six policy goals that were to be the focus of Fargo's community development activities in the short term. The following table lists the goals and the amount of CDBG and HOME money spent by goal in the 2003 program year.

	<b>CDBG Funds Spent in '03</b>	<i>% of CDBG funds drawn</i>	<b>HOME Funds Spent in '03</b>	<i>% of HOME funds drawn</i>	<b>TOTAL FUNDS SPENT</b>	<i>% of Total funds drawn</i>
1. Housing	\$339,570	24%	\$867,747	96%	\$1,207,317	52%
2. Downtown	\$605,640	43%	\$0	0%	\$605,640	26%
3. Youth	\$56,055	4%	\$0	0%	\$56,055	3%
4. Neighborhoods	\$0	0%	\$0	0%	\$0	0%
5. Affordability	\$144,534	10%	\$0	0%	\$144,534	6%
6. Homelessness/ Special Services	\$80,163	6%	\$0	0%	\$80,163	4%
Administration	\$178,104	13%	\$36,715	4%	\$214,819	9%
<b>Total</b>	<b>\$1,404,066</b>	<b>100%</b>	<b>\$904,462</b>	<b>100%</b>	<b>\$2,308,528</b>	<b>100%</b>

*\*See the table on p. 12-13 for detailed budget information*

Housing continues to be an important community development issue for the city. Efforts focus on overall affordability concerns, with specific attention to affordable home ownership opportunities. Of the total \$2.308 million in federal funds spent in 2003, 52 percent went to fund housing activities. 24 percent of the CDBG funds that were spent in 2003 funded Owner and Rental Housing Rehab, Rental Housing Inspection, and Housing Education projects. All of the non-administrative HOME funds went directly to housing activities, funding owner occupied rehab, the downpayment assistance program, and three special needs/rental housing projects (Graver Rental Rehab, Sister's Path permanent supportive housing, and YWCA Transitional Housing).

Significant funding was also dedicated to downtown revitalization, primarily through the City's storefront rehabilitation program. In 2003, a large accessibility project also benefited a downtown project. The level of interest in downtown projects (rental housing, storefront rehab, accessibility improvements) has remained high, due in large part to the momentum that has been generated by the City's concerted downtown revitalization effort. Federal resources are often used in conjunction with the Renaissance Zone development incentives available in the downtown area. In the 2003 program year, a number of projects that were initially funded in previous years (2000 and 2001) were finally able to proceed. As such, the funds actually drawn in 2003 for slum and blight activities appears high relative to the amount originally budgeted. This backlog of projects is not likely to continue beyond the 2003 program year. Regardless of the uneven rate of expenditure, the required cumulative three-year performance measure for slum/blight activities will still be achieved.

Relationship of funding decisions to 5 year goals/objectives

The following table provides a summary of activities funded with CDBG and HOME dollars in the 2003 program year, grouped by the goals identified in the Consolidated Plan. The table includes all activities that spent money during the 2003 year (i.e., funds were drawn).

Goal	Activity (HUD #)	CDBG		HOME		Complete
		Budgeted	Spent in '03	Budgeted	Spent in '03	
<b>Housing</b>						
	Owner occ Rehab (#172, #196, #206, HOME)	146,686	81,913	723,711	440,497	X
	Homebuyer Education (#184)	20,000	16,776			
	Downpayment Assistance ('02 & '03 HOME)			595,811	205,000	X
	Housing Acq, Rehab & Training (#145, #205)	155,800	87,243			X
	1012 9 <sup>th</sup> St N Acquisition (#126)	20,876	163			
	Downtown Rental Rehab (#179, #180, #181)	92,040	90,518			
	Graver Rental Rehab (HOME)			100,000	90,000	
	Sister's Path Supportive Housing (HOME)			62,500	56,250	
	YWCA Transitional Housing (HOME)			85,000	76,000	
	Tenant Education Project (#194)	15,000	15,000			X
	Rental Housing Inspection (#158, #183)	63,000	25,957			X
	Housing Market Study (#211)	22,000	22,000			X
<b>Downtown</b>						
	NDSU Downtown – Storefront (#125)	75,000	67,500			
	58 & 60 Broadway Acquisition (#117, #144)	92,092	7,715			X
	206 Broadway (#147)	19,050	1,905			X
	300 NP Avenue (#149)	47,230	42,493			X
	105 Broadway (#150)	20,000	20,000			X
	114-118 Broadway (#151)	39,800	7,623			X
	602 Main Avenue (#154)	33,100	25,662			X
	218 NP Avenue Redevelopment (#182)	75,000	75,000			X
	714-718 1 <sup>st</sup> Ave N (#197)	28,900	13,551			
	12 Broadway (#198)	28,900	28,900			X
	631 NP Avenue (#199)	13,260	5,326			
	14 Roberts Street (#200)	20,230	6,465			
	Park Co 1 <sup>st</sup> Ave N (#208)	11,000	11,000			X
	NDSU Downtown – Accessibility (#225)	325,000	292,500			
<b>Affordability</b>						
	Special Assessment Assistance (#170, #185)	133,854	133,854			X
	Snow Removal Program (#77)	2,200	290			
	Skills Development Project (#161)	50,000	10,390			
<b>Youth</b>						
	Madison Splash Pad (#165)	20,000	20,000			X
	Nokomis Acquisition (#189)	31,040	31,040			X
	Neighborhood Center Pre Development (#176)	5,000	15			
	Roosevelt Playground (#190)	5,000	5,000			X
<b>Neighborhoods</b>						
	None in 2003					

Goal	Activity (HUD #)	CDBG		HOME		Complete
		Budgeted	Spent in '03	Budgeted	Spent in '03	
<b>Homelessness Prevention / Special Services</b>						
	Native American Programs Building (#46)	130,587	912			
	CLS Accessibility (#187)	1,555	1,555			X
	New Life Center Accessibility (#188)	3,560	3,560			X
	Cultural Diversity Resources (#171, #192)	50,902	36,140			
	Refugee Liaison officer (#193)	22,000	22,000			X
	Continuum of Care Development (#204)	1,000	1,000			X
	Homeless Survey (#212)	5,000	5,000			X
	Refugee Services Coordinator (#217)	20,000	9,996			
<b>Administration (#173, #195, '02 &amp; '03 HOME)</b>		<b>334,990</b>	<b>178,104</b>	<b>94,730</b>	<b>36,715</b>	

**TOTAL**

## OTHER ACTIONS UNDERTAKEN

### Affirmatively Furthering Fair Housing

---

The City of Fargo Planning and Development Department last updated its *Analysis of Impediments to Fair Housing* in July 2002. The report identified the following issues as being potential barriers to fair housing choice.

- Fair Housing Education
- Historic Isolation by Income
- NIMBY (Not-in-my-back-yard) Syndrome
- Availability of Accessible Housing
- Affordability of Housing

Fargo funds several programs that affirmatively further fair housing. For example, the homebuyer education course provides training to prospective homebuyers on a range of homeownership issues. The course has been offered via videotape, to allow an interpreter to translate the course for families that did not speak English; the course is also offered to new immigrants that are interested in homeownership but do not speak English (interpreters are present at these sessions). The City also made available materials on landlord/tenant rights in North Dakota, predatory lending, and borrowing basics for homeownership. These materials were distributed to landlords via the Fargo Safe Housing Program, to the general public in displays at City Hall and various educational courses.

There are others working in the community to assure residents' access to housing as well. For example, non-profit agencies provide housing counseling and advocacy services to people in a state of housing crisis in the FM metro area.

The Planning and Development Department will continue to work in conjunction with other organizations interested in fair housing activities and will actively work towards the achievement of the goals and actions outlined in the City's Analysis of Impediments.<sup>12</sup> One area of promise for the 2004 program year is an enhanced collaboration with advocacy organizations who work with people with disabilities around the area of accessible and affordable housing.

### Affordable Housing

---

"Affordable housing" is a broad concept that must be brought to specificity in order for it to have meaning in a particular community. In the city of Fargo, we are working to foster and maintain affordable housing while also trying to eliminate any barriers to affordability that may exist.

The city's housing rehab programs, both federally and locally funded, are the most important tool we have to preserve and maintain the community's existing stock of affordable housing. Regardless of the fact that rehabilitation of homes is becoming increasingly expensive, it is still an economic reality that our best source of affordable housing lies with our existing housing stock. The costs of new construction make the creation of a significant amount of new affordable housing a difficult proposition. This fact spurs the city to continue funding rehabilitation programs for owner-occupied units over 40 years old and rental units in the downtown area. Local funds are used to finance the rehabilitation of owner occupied units in the neighborhoods immediately surrounding the central business district.

---

<sup>12</sup> The Analysis of Impediments to Fair Housing Choice can be downloaded from the Planning Department web site at: <http://www.cityoffargo.com/cd/fair.htm>.

In 2003, the City also became more active in its efforts to help foster the creation of new affordable housing units. HOME funds were used to create affordable rental housing for subpopulations within the homeless population, via the development of the Sister's Path and YWCA Transitional Housing projects. Local funds were leveraged to assist the Fargo Housing and Redevelopment Authority with acquisition of land for a new tax credit development it will be undertaking in the 2005 construction season. The City borrowed funds from its Fannie Mae line of credit to the HRA to finance the acquisition of land for this development during the extended holding period. The project is expected to create about 60 units of affordable owner and renter occupied housing for low income families in the community.

A housing study completed in April 2004 indicated that affordability is, indeed, a problem that requires specific definition in the Fargo Moorhead area. The great competition in the local rental market means that rental housing tends to be relatively affordable. However, affordability gaps become apparent when looking at particular segments of the population, namely households at or below 30 percent of median income including both families with children and seniors. The segment of the population that is most likely to experience a significant rental housing cost burden is the senior population over age 75.

The median sale price of owner-occupied housing has increased by 22% in Fargo in the last five years. Median income in the community has increased at a slightly greater rate. However, the affordability issue again affects a segment of the local market. Even though housing prices are affordable in Fargo Moorhead, relative to other metro areas, they are still out of reach for most households earning less than 60 percent of area median income.

As noted above, the City will continue to work with the private and non-profit sectors to create new and maintain existing affordable housing opportunities in the community, with specific attention to the hardest-to-serve populations (households at or below 30 percent of area median income for rental housing and 60 percent of area median income for owned housing).

#### Actions to address Underserved Needs

---

There were no "underserved populations" specifically identified in the 2003 Action Plan. However, there are certainly subpopulations within the community which are less likely to be actively engaged in the public process surrounding community development activities. As such, the City has taken several steps to ensure continued meaningful engagement with refugee/ethnic communities, minority communities, persons with disabilities, and low income populations.

The Fargo Human Relations Commission (HRC) is advisory to the City Commission and has a stated mission to promote acceptance and respect for diversity and discourage all forms of discrimination. The Planning Department is responsible for staffing the HRC, which is also the organizational home of community development planning in the City of Fargo. This connection helps further the city's community development goals and the stated goals of the HRC. The HRC is monitoring fair housing and discrimination issues in the City via research, public forums, a locally available complaint reporting process, and regular opportunities for public comment on issues of discrimination and fair housing.

The City's continued support of both Cultural Diversity Resources and CHARISM also displays a commitment to conducting meaningful outreach to the communities that are most likely to become disenfranchised and/or have their voices go unheard. Each organization has developed ongoing relationships with low income and refugee communities. They serve as trusted "connections" to under-represented communities and help ensure that the city's community development programs are designed to meet the needs of the residents of this community.

## Neighborhood Revitalization Efforts

---

Neighborhood revitalization is a goal that underlies much of Fargo's community development activity. There are a number of neighborhoods that are exhibiting signs of deterioration and/or demographic instability. Since 1998, the City's neighborhood planning program has received renewed attention. Along with neighborhood-specific strategic planning efforts, City staff is also engaged in neighborhood organization capacity building efforts.

In 2003 the City hired an additional staff person to focus on neighborhoods and housing programs. The city recently initiated the Fargo Neighborhood Series, an educational and networking opportunity for people interested in neighborhood issues, several neighborhoods are beginning to organize, and a full action plan for the Roosevelt/NDSU neighborhood (a low/mod area) will be completed in June 2004.

The City Commission made a significant commitment to neighborhood revitalization in March 2001 by allocating \$1.1 million of local funds to a "Neighborhood Revitalization Initiative". They authorized the sale of an internal "housing bond" for \$1.3 million to be used to finance NRI programs in 2002, and partnered with a private lending institution in August 2003 to leverage an additional \$2 million in loan funds. This set of programs provides a variety of housing rehab and neighborhood infill initiatives for both new and existing homeowners in targeted neighborhoods. Public response to the initiative has been strong. As noted in the previous section the Fannie Mae American Community Fund line of credit is another tool in the "NRI" toolbox, valuable as a way to leverage existing housing resources.

In February 2001 the City received approval from HUD to establish a Neighborhood Revitalization Area. This allowed local participation in the Officer/Teacher Next Door programs and the discounted purchase program for non-profits. The boundaries of the HUD and City Revitalization areas were essentially coterminous until a HUD-HOC rule change in November 2003. The rule change removed much of the city's revitalization area from the HUD revitalization area. Since the boundary change, we have been unable to leverage any local "rehab" resources with this program.

## Poverty Reduction

---

There is perhaps no issue that is more complex than poverty reduction. Many of the programs that exist in our community address the immediate needs of families living in poverty and/or in crisis. However, to reduce poverty, one needs to look at the root causes underlying poverty. The most obvious answer to the question "why are people poor" is that they don't earn enough money. So creating jobs that pay a living wage is an important poverty reduction activity. Likewise, job training and job readiness programs are essential if people are to be prepared to work. The ancillary programs that support low income families who are working include child care, transportation, and health care. Even if working full time, housing subsidies are often still needed to make a family budget work.

In the absence of any one of these elements of support, job creation alone will not reduce the number of people living in poverty. The city participates in the funding of several of the service areas needed to support work, including child care (school age and preschool age), job training, and transportation.

## Lead Paint

---

Lead paint hazard regulations affect the city's rehab (owner and renter) and downpayment assistance programs, as well as special needs housing projects funded with federal dollars. The programs have integrated necessary testing procedures at the front and back end of each project as required.

City staff continues to search for ways to reduce the costs associated with lead testing and assessment. The City's rehab specialist is a certified risk assessor; he conducts most of the risk assessments needed for our projects. We have funded the training necessary for a member of the Fargo Cass Public Health Department's Division of Environmental Health to become certified to complete clearance tests for lead paint projects. This change is expected to save both time and money on the "clearance" end of a project. We also continue to actively recruit contractors for lead paint training, with the intention of increasing the pool of available contractors who have staff trained in safe work practices.

## Affirmative Marketing and MBE/WBE Contracting

---

In 2003, the City adopted a policy of affirmative marketing that is applied to all HOME projects with 5 or more assisted units. Recipients of HOME funds will be monitored for compliance with this policy throughout the periods of affordability. The City also continues to work with small businesses and minority/women owned businesses whenever possible.

## Continuum of Care

---

The City of Fargo participates in the statewide Continuum of Care, through the Region V Continuum of Care Committee. The state's 2003 Continuum of Care application scored very well. Three Fargo projects were funded under the 2003 Continuum of Care application. The Fargo Housing Authority received a renewal for the S+C program. Centre, Inc. received a grant for a permanent supportive housing project, to serve veterans with disabilities, and the YWCA of Fargo Moorhead received a grant for their transitional housing program.

The City is actively involved in Region 5 CoC activities, including meetings that are held quarterly around the region. The Fargo Moorhead community also works hard to maintain a well-developed local and metropolitan network of services and resources that are an asset to the entire region and state. There is a high level of interconnectedness between service providers, which means that there is an extensive and broad based knowledge of the local system and community needs. The local emergency shelters are key access points in the system, providing a wide range of services and serving as a source of referrals.

The City of Fargo, the Fargo Housing & Redevelopment Authority, and ShareHouse (social detoxification facility) have been working together to develop a Supportive Housing project, funded with a \$500,000 grant from the 2000 CoC process. The project has been modified since its initial proposal but will create 12 units of permanent supportive housing for homeless women and their children. The women will have substance abuse problems and will be going through a residential treatment program in the early days of residency. Other support services will be available to them throughout tenancy in the project. The project is expected to open in July 2004.

## Housing and Redevelopment Authority

---

The HRA is responsible for managing low-rent public housing and Section 8 rental assistance. They own and manage 600 rental units: 366 one-bedroom units, 140 two-bedroom units, 71 three-bedroom units, and 23 four-bedroom units. In 2003, FHRA had approximately 1,100 Section 8 vouchers to serve the community. They also operate the 22 unit SRO project at 69 4<sup>th</sup> Street North.

### FARGO PUBLIC HOUSING AUTHORITY RENTAL SITES

<b>Project</b>	<b>Address</b>	<b>Total Units</b>	<b>Unit Type</b>
Lashkowitz High Rise (14-1)	101 S 2 <sup>nd</sup> Street	247	Elderly/ Disabled
New Horizons (14-2)	2525 N Broadway	98	Disabled
Pioneer Manor (14-6)	201 11 <sup>th</sup> Street N	46	Mixed
Scattered Site – Madison (14-3)	7 <sup>th</sup> -12 <sup>th</sup> Ave N, 25 <sup>th</sup> -29 <sup>th</sup> St N, 21 <sup>st</sup> St S	110	Family
Scattered Site – 30 <sup>th</sup> Ave S (14-5)	10 <sup>th</sup> & 31 <sup>st</sup> Avenue S	26	Family
Scattered Site – 34 <sup>th</sup> Ave S (14-7)	34 <sup>th</sup> Avenue S	40	Family
Scattered Site – 25 <sup>th</sup> Ave Duplexes (14-4)	18 <sup>th</sup> Street & 25 <sup>th</sup> Ave S	28	Family
Dakotah Life	923 University Dr N	3	Family
Brownstone	124 8 <sup>th</sup> Street N	2	Family
	Total	600	

In 1999, the FHRA implemented a Home ownership program, which has the goal of selling 45 single family scattered site units in the next 5 years. Homes are sold to current tenants on a voluntary basis, and then to other qualified program recipients (Public Housing or Section 8) and the general public.

## Institutional Gaps and Enhanced Coordination

---

Collaboration and coordination are essential words in the community development lexicon. Without collaboration designed to strategically address gaps in the system, it is impossible to maximize the efficient use of resources.

A lot of work has been done in the last year to increase coordination among mainstream resources providers, housing professionals, and homeless service providers around the issue of chronic homelessness. In December 2003 a team from the state of North Dakota attended the federally-sponsored Policy Academy training process in Miami for the purpose of developing a strategic plan to better utilize existing mainstream resources to address homeless needs. This process brought together state level resource providers with housing providers for the first time and generated a significant amount of productive discussion. The state's plan addresses research needs (understanding the issue), stakeholder outreach, as well as action steps specific to both the provision of services and housing resources. This collaboration is ongoing and will likely have a significant impact on work surrounding homelessness in the Fargo area in the coming years.

Another new collaborative effort underway in the metro area is the "Metropolitan Access to Jobs Initiative", coordinated by the Fargo Moorhead Council of Governments. This effort brings together major social service providers and transportation-focused agencies to address in a coordinated fashion the ongoing transportation needs of low income people. The project received funding in May 2004 and will hire a transportation coordinator in the fall of 2004. It is expected that this collaboration will go a long way toward addressing the often-identified issue of "transportation barriers" affecting the area's low income residents.

## Self Evaluation of Annual Performance

### PERFORMANCE MEASUREMENT

The City of Fargo's community development staff has worked hard in the last year to further the goals outlined in the Consolidated Plan. We continue to focus efforts on the community housing needs, addressing both renter and owner-occupied issues in new and existing housing stock. The city also continues to nurture relationships with local and regional housing partners, with the goal of diversifying the tools available to address housing needs.

One of our internal goals has been to help build capacity in the local non-profit sector, specifically in the areas of housing development and neighborhood association. Our belief is that the existence of a network of capable and passionate organizations can do nothing but benefit the overall quality of life in the community. This is a difficult goal to achieve but we remain committed to furthering this objective in the next year.

The community's decision makers have continued to demonstrate both a commitment to and an understanding of community development activities and goals throughout the last year. The City Commission continues to support neighborhood revitalization with both staff time and local funding. The Housing Authority Board continues to be proactive in its efforts to increase the supply of affordable housing in the community. The Human Relations Commission is diligent in its outreach and research efforts relating to both discrimination and fair housing issues. The Community Development Committee evaluates projects with the priorities of the Consolidated Plan in mind, helping to create a community development program that is responsive to community needs.

To achieve our community development goals, it is imperative that we improve our capacity to evaluate program performance. The Fargo CD staff has adopted a model of continuous program evaluation. Both new and longstanding programs are constantly being evaluated for effectiveness. The next step is to begin to measure outcomes by systematically evaluating the overall impact of the city's community development efforts.

To evaluate "successful performance" we need to ask ourselves if our actions are making an impact on identified needs and then identify the indicators that best describe results. Both of these questions will be answered during the 5 year plan update process. One of the primary changes in the city's next consolidated plan will be the integration of a performance measurement system that can be used to track not only outputs but outcomes as well.

## GRANT MANAGEMENT

In addition to monitoring the efficacy of the programs that are funded with CDBG and HOME dollars, city staff is also mindful of the need to evaluate our grant management performance. The city draws funds from HUD/DCS on a reimbursement basis. We complete a monthly draw request based on funding requests received (and verified) during the previous month. We keep running tallies of spending progress for both the HOME and CDBG programs. One of the CDBG reports that is run following every draw is the timeliness report. Fargo has set a goal of achieving the "1.5" target by December of each year (our timeliness test is actually set for March 1). We achieved that objective in 2003.

Sub-recipient monitoring is an ongoing process for us as well. Each recipient agreement outlines expected outcomes and minimum monitoring requirements. All low/mod activities submit quarterly benefit reports to our office. Those statistics are entered in to IDIS as narrative throughout the year. The quarterly benefit reporting gives city staff an opportunity to work with projects that may be having difficulty meeting their objectives before they get too far into their project. We also facilitate annual rental compliance certifications for HOME-funded rental rehab projects (DCS is the final review) and will initiate our own annual compliance reviews for projects funded with HOME funds we receive directly as a PJ.

### Individual Activities

None of the activities currently underway or those funded with 2003 grant funds are behind schedule to any significant degree. The southside neighborhood resource center project received funding in both the 2003 and 2004 program years. This project is expected to be implemented by fall 2004.

### Multi-Year Certification - CDBG

Fargo has adopted the three-year certification option. The current certification period includes the 2002, 2003 and 2004 program years. As such, the spending reported in the 2003 CAPER is the spending for the second year of the three year period.

The following tables provide a summary of the multi-year spending outlook. The "denominators" for each calculation are listed below (prior year program income and current year grant and program income). The 2003 calculation indicates that 74 percent of spending subject to calculation was targeted to LMI benefit activities. Slum/Blight spending accounted for 26 percent of spending. The city will continue to monitor spending to ensure that the expenditure cap requirements will be met by the end of the three-year certification period.<sup>13</sup>

2002-2004 Multi Year Calculation			
Prior Yr	Program Income	\$	130,321.87
Current Yr	Grant	\$	861,000.00
Current Yr	Program Income	\$	289,041.20
			2002 Cumulative \$ 731,036.79
			2003 Cumulative \$ 1,197,945.43
			2004 Cumulative
			<u>Total Cumulative \$ 1,928,982.22</u>
2003 Calculation			
	% Benefit LMI		73.9%
	% Benefit SBA		26.1%
	% Public Svc		11.2%
	% Admin		17.9%
			2002 LMI Benefit \$ 482,609.91
			2003 LMI Benefit \$ 884,806.30
			2004 LMI Benefit
			<u>Total LMI Benefit \$ 1,367,416.21</u>
			<b>Cumulative % LMI 71%</b>

<sup>13</sup> For more detailed information on actual spending by category (LMI, SB, PS, Admin, etc), you can refer to the "Activity Summary" that supports the above benefit cap calculations, found on pages 22 and 23.

## Appendix A: Public Participation

The City of Fargo published the notice below as a public notice on July 8, 2004 to request public comments on this report. Public comments were due on July 26. No public comments were received. The report was submitted to the Planning Commission, Community Development Committee and City Commission, as per the Public Participation Plan.

### **PUBLIC NOTICE**

The public comment period for reviewing the City of Fargo 2003 Annual Performance Report for the Consolidated Plan for Housing and Community Development will be held from July 8, 2004 to July 26, 2004. A copy of the report, along with any current public comments, will be available to the public at the Fargo Planning Department, 2nd Floor City Hall, 200 North 3rd Street, Fargo, ND. A copy of the report can also be obtained at <http://www.cityoffargo.com/planning> or by calling 241-1474. TDD 241-8258.

## Appendix B: Financial Reports

### PART 1: Summary of CDBG resources during this reporting period

2002 GPR Balance (4-30-03)		\$	907,550.44
2003 Entitlement Grant		\$	861,000.00
Loan Repayments	\$	109,850.02	
Housing Rehab Repayments	\$	-	
Revolving Loan Funds	\$	144,444.52	
Miscellaneous	\$	34,746.66	
Total Program Income		\$	289,041.20
Total CDBG funds available - 2003		\$	2,057,591.64

### PART 2: Expenditures during this Reporting Period

Planning and Administration	\$	206,298.83	
Subject to Low/Mod Benefit Calculation	\$	1,197,945.43	
Total Expenditures - 2003		\$	1,404,244.26
Unexpended Balance - 4-30-04		\$	653,347.38

### PART 3: Overall Benefit to Low/Mod Persons during this Reporting Period

Subject to Low/Mod Benefit Calculation	\$	1,197,945.43
Total Expenditures qualifying as benefitting low/mod persons	\$	884,806.30
% Benefit to Low/Mod Persons		73.9%

### PART 5: Public Service Cap Calculation

Total Expenditures for Public Svc activities		\$	110,592.22
2002 Program Income	\$	130,321.87	
2003 Entitlement Grant	\$	861,000.00	
% Funds obligated for Public Svc activities			11.2%

### PART 6: Planning and Program Administration Cap calculation

Amount subject to planning/admin cap	\$	1,150,041.20
Amount expended for planning/admin	\$	206,298.83
% expended for Planning/Admin		17.9%

### Reconciliation of Line of Credit and Cash Balances to Unexpended Balance of CDBG funds shown on GPR

Unexpended Balance – 4-30-04	\$	653,347.38
LOC Balance - 4-30-03	\$	907,550.44
Grantee CDBG Program Liabilities	\$	(254,203.06)
Reconciling Balance	\$	653,347.38
Unreconciled Difference	\$	-

**\*\* Background Data - Activity Summary with Benefit Cap calculations (page 24-25)**

**\*\* The following Year-end summary Reports are available upon request (IDIS)**

PR03 - Activity Summary  
PR06 - Summary of Consolidated Plan Projects  
PR10 - CDBG Housing Activities  
PR23 - Summary of Accomplishments  
PR26 - CDBG Financial Summary

PR22 – Status of HOME activities  
PR25 – Status of CHDO funds  
PR27 – Status of HOME grants