

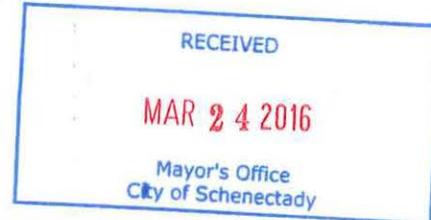


U.S. Department of Housing and Urban Development

Albany Field Office
52 Corporate Circle
Albany, New York 12203-5121

March 17, 2016

The Honorable Gary McCarthy
Mayor, City of Schenectady
City Hall – Room 14
105 Jay Street
Schenectady, New York 12305



Dear Mayor McCarthy:

SUBJECT: Program Year Review (PYR) Letter; City of Schenectady
Reporting Period: July 1, 2014 to June 30, 2015
Community Development Block Grant (CDBG) Program; HOME Investment
Partnerships (HOME) Program; and Emergency Solutions Grant (ESG) Program

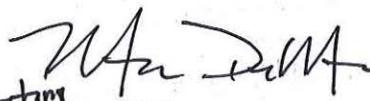
The Housing and Community Development Act of 1974, as amended; the National Affordable Housing Act of 1990; and the Consolidated Plan regulations require HUD's grant recipients to submit annual performance reports. They also require HUD to conduct an annual assessment of each grantee, to determine whether it is in compliance with the statutes and program requirements, and whether it has the continuing capacity to implement and administer its HUD programs.

The enclosed report is primarily based on the City's Consolidated Annual Performance and Evaluation Report (CAPER), although continuing efforts are also taken into consideration. It also reflects comments we received from the City's Director of Development, in response to the 2014 Annual Community Assessment Report. Based on this information, we have determined that the City of Schenectady has met statutory and programmatic requirements and has the capacity to administer its HUD programs.

The enclosed report is intended to be shared with the public, in accordance with the City's Citizen Participation Plan. HUD will also make it available to citizens, upon request.

If you have any questions or comments regarding this report, please contact Alex Vilardo, CPD Representative at 716-551-5755, extension 5831.

Sincerely,


Adm
for
Jaime E. Forero
Field Office Director

Enclosure

Internal HUD Distribution:						
CPD Chron		Vilardo			CF :Schenectady 2014	
Identification Lines:2CDM1 :Vilardo :ckw :3/7/16						
PYL_Schenectady to McCarthy 2014						
Correspondence Code	Originator 2CDM1	Concurrence 2CDM1	Concurrence 2CD	Concurrence 2CD	Concurrence 2BMA	Concurrence
Name	Vilardo ajv	Naples kn	Meinl	O'Connell wto	Forero	
Date	3-9-16	3-11-16	Out Of Office	3-16-16	3-17-16	

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form HUD-713.1 (02/03)

**U.S Department of Housing & Urban Development
Buffalo, New York Office**



2014
Program Year Review Report

For

City of Schenectady, New York

July 1, 2014 – June 30, 2015

Introduction

As a recipient of grant funds provided by the Department of Housing and Urban Development, each jurisdiction that has an approved Consolidated Plan shall annually review and report to HUD on the progress it has made in carrying out its Consolidated Plan and Annual Action Plan. The performance report is submitted to HUD in the form of the Consolidated Annual Performance and Evaluation Report (CAPER).

HUD has the responsibility to review the CAPER report and the performance for each jurisdiction on an annual basis. In conducting performance reviews, HUD will primarily rely on information obtained from the recipient's performance reports, records, findings from monitoring reviews, grantee and subrecipient audits, audits and surveys conducted by the Inspector General, and financial data regarding the amount of funds remaining in the line of credit plus program income. HUD may also consider relevant information pertaining to a recipient's performance gained from other sources, including litigation, citizen comments, and other information provided by or concerning the recipient. A recipient's failure to maintain records in the prescribed manner may result in a finding that the recipient has failed to meet the applicable requirement to which the records pertains. Such information, along with grantee input, is considered in HUD's Annual Community Assessment in order to make a determination that a grantee has the continuing capacity to administer HUD programs.

In the assessment of your community's performance, this report is prepared to provide feedback on your community's performance in the delivery of HUD's Community Development Programs. This report is presented in three sections. Section I provides a general summary related to your planning and performance reporting, Section II provides general overview related to specific program progress and performance, and Section III provides recommendations and areas for improvement.

Section I – Planning and Reporting

2014 Programs and Funding Amounts:	CDBG	\$2,093,518.00
	HOME	\$ 942,582.00
	ESG	\$ 171,342.00

Compliance with Consolidated Plan and 2014 Annual Action Plan

It was determined that the City followed its HUD-approved Consolidated Plan and Annual Action Plan during the 2014 program year, consistent with the City's stated program goals and objectives. The activities designed, funded and completed during this reporting period principally benefited low-moderate income persons. More detailed information about accomplishment highlights can be found in Section II of this report.

Accuracy of Performance Reports

A Consolidated Annual Performance and Evaluation Report (CAPER) is due 90 days after the City completes their 2014 program year. The City's CAPER was received by the HUD Buffalo Field Office on September 29, 2015. More detailed information about the City's performance and accomplishments during the program year can be found in Section II of this report.

Section II – Program Progress and Performance

Community Development Block Grant (CDBG) Program

Summary of Performance Indicators and Accomplishments

Activities: The following activities and accomplishments were completed during the program year:

Public Services: During the reporting period, the City spent \$215,362.00 on youth services, disability services, and housing counseling that benefitted low-moderate income persons.

Code Enforcement: The City spent \$460,512.00 during the program year conducting inspections in low-moderate income neighborhoods.

Street Improvements: The CAPER reported that \$1,098,133.00 was spent on this activity during the reporting period.

Planning and General Program Administration: During the reporting period, \$326,405.00 was spent for planning and general administration of the CDBG program.

Please see Section III for recommendations and areas for improvement that were noted.

National Objective Compliance: The CDBG program was designed to principally benefit low-moderate income persons. During the reporting period, it was determined that the City spent 99.98% of their funds on activities that principally benefitted low-moderate income persons.

Planning and Administration: The CDBG program rules allow the City to obligate up to 20% of their grant funds plus program income on eligible planning and administrative costs. According to the IDIS PR26 CDBG Financial Summary Report submitted with the CAPER, this amount was 14.75%.

Public Service: The CDBG program rules allow the City to obligate up to 15% of their grant funds plus program income on eligible public services related activities. According to the IDIS PR26 Financial Summary Report submitted with the CAPER, this amount was 14.25%.

Program Progress and Timeliness: The CDBG program requires that the City's unexpended CDBG funds be no more than 1.5 times their annual grant 60-days before the end of the program year. The City was in compliance with the 1.5 timeliness test made on May 1, 2015.

IDIS Data: The City is required to use the Integrated Disbursement and Information System (IDIS) to report on program activities and accomplishments. A review was made in order to determine the level of detail and accuracy of this data. Please see Section III for any recommendations and areas for improvement that were noted.

Fair Housing and Equal Opportunity: Our review did not reveal any significant issues related to compliance

HUD Monitoring: The Buffalo Field Office conducted an on-site monitoring review of the City's performance during the 2014 program year. The monitoring report, dated August 14, 2015 contained two findings related the CDBG program.

Financial

A review was made in order to determine the level of detail and accuracy of the financial information provided by the City. Please see Section III for recommendations and areas for improvement that were noted.

Management

The City had experienced staff that was capable of administering and overseeing their CDBG program activities during the reporting period. It is noted that a new Director of Development was hired during the reporting period. The City also reports that they regularly monitor and evaluate subrecipients administering activities with CDBG funds.

Home Investment Partnerships (HOME) Program

Summary of Performance Indicators and Accomplishments

Activities: The following activities and accomplishments were completed during the program year:

Affordable Housing Development: The City spent \$1,136,161.00 for housing rehabilitation, new construction, and homebuyer activities during the reporting period and the CAPER reported that 58 units were assisted.

Beneficiary Compliance: The HOME program was designed to principally benefit low-moderate income persons. Program progress was determined to be satisfactory.

Commitments/Reservations/Disbursements: The HOME program requires that funds be committed or reserved to a CHDO within two years, and disbursed within five years. Program progress was determined to be satisfactory.

Match: The City's match requirement was 25% during the reporting period and was met based on the HUD-40107-A report that was submitted.

IDIS Data: The City is required to use the Integrated Disbursement and Information System (IDIS) to report on program activities and accomplishments. A review was made in order to determine the level of detail and accuracy of this data. Please see Section III for any recommendations and areas for improvement that were noted.

Fair Housing and Equal Opportunity: Our review did not reveal any significant issues related to compliance.

HUD Monitoring: The Buffalo Field Office conducted an on-site monitoring review of the City's performance during the 2014 program year. The monitoring report, dated August 14, 2015 contained two concerns related the HOME program.

Financial

A review was made in order to determine the level of detail and accuracy of the financial information provided by the City. Please see Section III for recommendations and areas for improvement that were noted.

Management

The City had experienced staff that was capable of administering and overseeing their HOME program activities during the reporting period. It is noted that a new Director of Development was hired during the reporting period. The City also reports that they regularly monitor and evaluate subrecipients administering activities with HOME funds.

Emergency Solutions Grant (ESG) Program

Summary of Performance Indicators and Accomplishments

Activities: The following activities and accomplishments were completed during the program year:

Emergency Shelters and Services: The City spent \$155,462.00 during the reporting period. The CAPER reported that 171 homeless persons were sheltered during the reporting period.

Beneficiary Compliance: The ESG program is designed to provide shelter and support services to homeless persons. Program progress was determined to be satisfactory.

Obligation and Expenditure of Grant Funds: The ESG program requires the City to obligate funds within 180 days and spend grant funds within 24 months of the date of the grant award. Based on a review of the Line of Credit Control System (LOCCS) data, the City still had \$0.35 available to commit by the deadline date of April 6, 2015.

Match: The City is required to match funds and this was met during the reporting period based on information submitted.

IDIS Data: The City is required to use the Integrated Disbursement and Information System (IDIS) to report on program activities and accomplishments. A review was made in order to determine the level of detail and accuracy of this data. Please see Section III for any recommendations and areas for improvement that were noted.

Fair Housing and Equal Opportunity: Our review did not reveal any significant issues related to compliance

HUD Monitoring: The Buffalo Field Office did not conduct an on-site monitoring review of the City's ESG program during the 2014 program year.

Financial

A review was made in order to determine the level of detail and accuracy of the financial information provided by the City. Please see Section III for recommendations and areas for improvement that were noted.

Management

The City had experienced staff that was capable of administering and overseeing their ESG program activities during the reporting period. It is noted that a new Director of Development was hired during the reporting period. The City also reports that they regularly monitor and evaluate subrecipients administering activities with ESG funds.

Section III – Recommendations and Areas for Improvement

There are no recommendations or areas for improvement noted at this time.

This report was prepared by: Alex J. Vilaro, CPD Representative
716-551-5755 extension 5831
Alexander.J.Vilaro@hud.gov

As a reminder, this report is final and is your community's Program Year Letter as required by HUD regulations. Consistent with the Consolidated Plan regulations, this assessment should be made available to the public. This can be accomplished by making it available through your established citizen participation process. HUD will also make it available to citizens upon request.