

Executive Summary

The City of Shreveport, Department of Community Development, coordinates the planning and administration of Community Development Block Grant (CDBG) and HOME Investment Partnership Funds, American Dream Downpayment Initiative (ADDI) and Emergency Shelter Grant (ESG). As the entitlement jurisdiction, the department provides structure and shapes programmatic services for low-to-moderate income households. In order to meet local objectives, the city partners with nonprofits, Community Housing Development Organizations (CHDOs), Community-Based Development Organizations (CBDOs), Community Development Corporations (CDCs), city departments, contractors, and faith-based organizations. The city connects employment, housing, education, and training into a network of resources to redevelop and revitalize Shreveport's lower income neighborhoods.

The City's proposed allocation for FY 2008 consists of \$2,678,267 in Community Development Block Grant (CDBG) funds; \$1,360,658 from the Home Investment Partnership (HOME) Program; \$22,550 from the American Dream Downpayment Initiative (ADDI); and \$115,912 in Emergency Shelter Grant (ESG) funds.

The Annual Action Plan ("Plan") provides a description of the activities the City of Shreveport anticipates undertaking during the fiscal year beginning January 01, 2008 and ending December

31, 2008, to address priority needs and objectives identified in the Five Year Consolidated Plan (2004-2008).

Eligible activities must meet one or more of the three national objectives: aid in the prevention or elimination of slum or blight, benefiting low-and-moderate income persons, and meet community development needs having a particular urgency. This annual action plan includes funding for many ongoing housing and economic development activities. Activities undertaken in 2008 will consist of providing housing opportunities for low-moderate income persons; strengthening, enhancing and preserving the character and quality of life for residents in the identified targeted areas of the city; providing resources to help end the cycle of homelessness; continue to build capacity of non-profits to help strengthen the community in which they work; provide training, work experience and education using WIA funds; and job and business opportunities through the varied economic development loan programs.

The activities described in the Annual Action Plan are aligned with the Strategic Plan, which are outlined in the Consolidated Plan. The 2008 program year will place considerable emphasis on targeting specific neighborhood revitalization areas and the leveraging of entitlement dollars.

As required by the U.S. Department of Housing and Urban Development rules and regulations, this Plan was developed in compliance with the regulations set forth in 24CFR Part 91.105. Citizens were made aware through a public notice in The Times on October 04, 2007, of the

availability of a detailed draft of the 2008 Annual Action Plan for public review and/or comments. However, no comments were received.

The Department of Community development held two Public Hearings (*August 21, 2007 and August 23, 2007*) to inform citizens of identified community and economic development needs, the development of proposed activities and the status of funding in 2008.

Resources

(1) FEDERAL RESOURCES

The city is able to draw upon many resources in the implementation of its community development programs. In addition to our CDBG, HOME, ADDI, and ESG funds, the City relies on community resources for leveraging.

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Section 108 Loan Guarantee – Funds will be used to assist economic development projects in designated low-to-moderate income neighborhoods.

Economic Development Initiative – These funds will be used to enhance the security of the Section 108 Loan Guarantee funds that will act as a loan pool for providing business start-up, working capital, and expansion financing along designated economic development corridors. In

2000, the city of Shreveport was awarded a \$1 million grant (the Economic Development

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Initiative) to provide economic opportunities for low to moderate-income persons.

Low Income Housing Tax Credits – Proceeds from the syndication of tax credits will be used to leverage multifamily rental development projects.

State of Louisiana District 39 - \$100,000 was awarded to MLK Partners (Queensborough Neighborhood Association, Image Changers, and Focus on Family Living), to assist them with their new construction projects.

Historical Black Colleges and Universities (HBCU) - The city partnered with Southern University (Shreveport Campus) and was awarded an HBCU grant in the amount of \$550,000 to establish a business incubator. The primary mission of the business incubator is to accelerate the startup and growth rates of businesses and housing opportunities in the inner cities of Shreveport, while improving the overall quality of life.

Workforce Investment Act (WIA) – Funds are used to provide workforce investment activities that increase the employment, retention, and earnings of participants and increase occupational skill attainment by participants, which will improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of economically disadvantaged individuals.

(2) **OTHER RESOURCES**

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Other resources are expected to be made available to address the needs identified in this plan. The majority of the funds will be used to leverage housing and economic development projects. Private lenders will contribute significant leverage to the Homebuyer's Assistance Program Participation Initiative (HAPPI) Program, the ~~city's~~ Economic Development Initiative, and one multifamily project slated for FY 2008.

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Riverfront Development Funds – Funds totaling \$300,000 set aside by the city for a loan loss reserve to support the Economic Development Initiative.

Fannie Mae - The ~~city~~ of Shreveport has been approved for \$2,000,000 from Fannie Mae's American Communities Fund to implement the Neighborhood Recovery Project (Lease Purchase Program). This program will enable qualified households to ultimately own a home with as little down payment fee of 3% of the purchase price.

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Matching Requirements – for the ESG Program will be met with various resources ranging from in-kind donations and cash to volunteer labor. The match obligations are detailed on the ESG summary chart enclosed with this document. HOME match funds must be derived from source other than the program funds, and pursuant to eligible matching contributions referred to in 24 CFR Part 92.218. The city requires CDBG Subrecipients to secure match in the amount at least equal to 100% of its funding amount. Fifty (50%) of matching funds must be a cash

match. Match must be derived from sources other than the program.

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Private Donations – The city is currently engaged in housing development efforts with several lending institutions. Approximately \$5,000 in private donations and in kind contributions are committed annually to the Paint Your Heart Out-Shreveport campaign.

Neighborhood Investment Program - The City has \$350,000 to continue this neighborhood capacity building program in 2008 wherein community-based organizations will be able to develop projects within their respective neighborhoods.

City-owned Property – The City has possession of surplus property, and has identified several parcels of adjudicated property which will be offered to 501(c)(3) non-profit organizations that have the capacity and evidence project feasibility to provide affordable housing and other approved community development activities.

Activities to be Undertaken

The City of Shreveport will undertake a broad range of eligible activities in housing, capital improvements, public facilities, economic development, and human services to improve the quality of life of its low and very low-income citizens. The city will also conduct activities that will restore buildings and facilities which are a part of the city's legacy in an effort to preserve

our history and culture.

The FY 2008 program year will include entitlement funds, program income, an economic development initiative grant, loan guarantees under the Section 108 program, and other federal and non-federal resources.

Although the City is responsible for the Consolidated Plan activities, a variety of public and non-profit organizations will be involved in administering components of the plan. The participating entities will be encouraged to leverage their own resources with other grant programs.

Activities undertaken in FY 2008 will involve a network of entities focusing on addressing gaps in the delivery of services, housing programs, economic development, and human services programs, all of which will help combat blight and encourage neighborhood revitalization.

The city is always exploring innovative approaches that will spark new business opportunities, housing development, and job growth in low-income neighborhoods. Some of these initiatives are currently in the implementation stage and others are in the development phase. These initiatives include, but are not limited to:

- “Raise the Roof” is a roof replacement program for the elderly and disabled citizens.
- “A multi-faceted business incubator” is being created to offer a full range of business assistance for new and expanding small business and entrepreneurs in conjunction with a

Historical Black Colleges and Universities (HBCU) grant received by Southern University at Shreveport.

- The Shepherd Place Project is a lease purchase program designed to assist low to moderate-income families that have experienced credit challenges with access to eventual homeownership. This project will be completed in 2008.
- The Joshua Project, a collaborative venture to provide assistance through approved private lenders to assist, within the city limits of Shreveport, applicants who are First Time Homebuyers and whose income thresholds are 200% or below the poverty guidelines or are eligible for the Earned Income Credit. Persons eligible for TANF assistance (Temporary Assistance for Needy Families) are automatically eligible to participate in the program. This program will assist with down payments, closing costs, and rate buy-down assistance and principal reductions for qualified home buyer who purchase existing properties or newly constructed homes within the corporate limits of the City of Shreveport.
- Total Commitment “Touching One, Touching All” is an on-going initiative targeting Allendale in 2008, where the city will seek to renew this neighborhood *from within* by building and revitalizing a whole neighborhood and establishing a range of programs and services aimed at increasing home ownership and economic development opportunity.
- Homeownership Zone – this program will enable the city to undertake large-scale, single family developments in inner city neighborhoods. The majority of the new units will be for low-and-moderate income families, but also attract middle income families to inner

cities to help form more stable communities. In addition to increasing the supply of safe and decent housing in urban areas, the program will support new job in the home building industry and stimulate new investment in revitalized communities.

- Neighbor to Neighbor - housing activities will be conducted to address the short-term and long-term needs of the evacuees through a collaborative venture with the MLK Partners a not-for-profit entity.
- Neighborhood Investment Program (NIP) in its fourth year, is a comprehensive, community based, empowering initiative designed to build capacity and provide technical assistance to neighborhood and grassroots organizations. The overall goal of the program is to promote a greater sense of community through residence participation in their neighborhood.
- Limited Repair Program designed to improve the condition of housing for low-to-moderate income homeowners.
- Emergency Repair Program provides funding for urgent housing repairs that threatens the health, safety, and life of low-to-moderate income homeowners.
- Paint Your Heart Out- Shreveport provides funding for annual volunteer paint and minor repair program for the elderly/and or disabled.
- World Changes is annual youth mission volunteer home repair program for the elderly and/or disabled.
- Handicapped Accessibility Program (Wheelchair Ramp) provides wheelchair ramps for the disabled.

- Reconstruction provides for replacement housing for low-to-moderate homeowners that are infeasible for repair, and in a revitalization area.
- Homebuyer's Assistance Program Participation Initiative (HAPPI), is designed to assist with down payment and reduction assistance to low-to-moderate income homebuyers.
- Lease Purchase Program provides funding for a new home construction program and to increase the viability for homeownership opportunities for families experiencing credit challenges.
- MLK Partners, a group of faith-based organizations who are all graduates of the city's Faith Builders Program have united to provide housing and supportive services for evacuees from Hurricanes Katrina and Rita living in the Shreveport area; and to strengthen the Martin Luther King, Jr. neighborhood through new and rehabilitated housing developments and supportive services.
- "Building on Higher Ground," a partnership that will provide 60 new housing units in the Allendale neighborhood through new construction and rehabilitation of several historical properties. The houses will be built with the assistance of the buyers who come from among low and very low income groups and will include both hurricane evacuees and Shreveport residents.
- "Senior Minor Home Repair Grant Program," the city will partner with a non-profit to address minor repairs that threaten the health and safety of elderly homeowners (age 60 and above). Repairs will include weatherization, windows, screens, painting, floors, heat, plumbing, electrical and roof repairs.

Geographic Distribution

The proposed allocation of funds is based on federal funding requirements for each formula-allocated grant. Areas of low to moderate-income concentration and certain areas of high minority concentration were targeted. Homeless projects can be located citywide. Areas of low homeownership and deteriorating housing conditions were also considered in our targeting process. There are currently sixteen designated target neighborhoods (Allendale, Cedar Grove, Martin L. King, Greenwood /acres, Hollywood, Lakeside, Ledbetter Heights, Mooretown, Queensborough, Reisor, Solo Hood, Stoner Hill, Waterside, Caddo Heights, Ingleside, and Werner Park) that are generally defined as census tract(s) in which a minimum of 51% of the residents have an income not exceeding 80% of the area median family income. There are also three transitional neighborhoods (Cherokee Park, Highland, and Sunset Acres). Those individuals or families participating in the HAPPI program can purchase a home in any of the sixteen targeted neighborhoods or transitional neighborhoods.

The city will target the majority of its resources in small geographic areas in order to make a visible, measurable impact, specifically in Queensborough, Allendale, Mooretown, Stoner Hill, Cedar Grove and Martin Luther King. The Allendale and Mooretown neighborhoods are the Model block areas targeted for revitalization in 2008. Each of these areas has high minority concentrations.

The primary emphasis for the EDI program is economic development corridors in and around low-income areas. Major emphasis will also be placed on the corridors surrounding Queensborough.

Homeless and Special Needs Housing

The city supports a variety of housing and public service programs operated to service the homeless and special needs population. The efforts of the homeless coalition, through the Continuum of Care process, have provided guidance on the needs of these communities. The process has resulted in a better understanding of the homeless and special needs community and their housing needs, enabling the city to arrive at a set of goals and objectives. These objectives and outcomes are provided below:

OBJECTIVE – Create a Suitable Living Environment

Outcomes:

1. Continue to Support and encourage non-profit participation in a Homeless Management Information System (HMIS) for the purpose of creating a suitable living environment.
2. Assist 250 individuals by December 31, 2008 by providing Emergency Shelter Grant (ESG) funds to avert eviction, foreclosure, and/or utility disconnection, as well as pay deposits or first month's rent for the purpose of creating a suitable living environment.
3. Provide ESG funds to a minimum of five projects to assist shelters and homeless

providers with essential services and operating costs by December 31, 2008 for the purpose of creating a suitable living environment.

NON-HOMELESS SPECIAL NEEDS:

OBJECTIVE – Create a Suitable Living Environment

Outcomes:

1. Evaluate request for services to assist the non-homeless special needs populations for the purpose of creating a suitable living environment.
2. Provide support for organizations that deliver senior services, which may include feeding programs, transportation, and in-home healthcare for the purpose of creating a suitable living environment.
3. Provide support for organizations that deliver services to persons with severely mental illness, including case management, referral, homeless shelter, and counseling for the purpose of creating a suitable living environment.
4. Provide support for organizations that deliver assistance to persons with disabilities, including job training and housing assistance for the purpose of creating a suitable living environment.
5. Provide support for a wheelchair ramp program to address mobility issues for the physically disabled for the purpose of creating a suitable living environment.

Other Actions

REDUCING POVERTY:

The city of Shreveport will work toward **reducing poverty** through the following objectives and outcomes.

OBJECTIVE – Creating Economic Opportunities

Outcomes:

1. Work with local entrepreneurs to stimulate business development in inner-city neighborhoods for the purpose of creating economic opportunities.
2. Work to attract corporate relocations/expansions into Shreveport to increase the total number of available jobs for the purpose of creating economic opportunities.
3. Work with local business leaders to assess the needs that businesses operating in Shreveport are experiencing for the purpose of creating economic opportunities.
4. Promote Workforce Investment Act (WIA) program offerings more among neighborhood associations and community-based organizations.
5. Promote workforce development programs offered by local universities and colleges.
6. Promote existing General Education Development (GED) programs that work with adults who have not earned their high school diplomas

ADDRESSING DETERIORATING HOUSING CONDITIONS:

One of the greatest concerns facing the City of Shreveport is the ability to **address deteriorating housing conditions**. Despite Shreveport's booming economy, housing conditions in low-income areas remain virtually unchanged. Moreover, the rising cost of housing has had a detrimental effect on low and moderate-income persons' ability to access decent, safe, and affordable housing. Affordable housing for persons in the extremely low-income and moderate-income populations is the most frequently identified need in this area. Therefore, the city's priority is to increase the supply of affordable housing to extremely low-income, low-income, and moderate-income households at or below 80 percent of the area's median income.

The city, in conjunction with local lenders and the real estate community will continue to implement the HAPPI program. The HAPPI Program targets low income areas within the city of Shreveport, with the exception being persons who are elderly and/or disabled or displaced as a result of a natural disaster.

In addition, the City partnering with Community Housing Development Organizations (CHDOs) and Community Development Corporations (CDCs) will continue to implement the Shreveport Model Block Program in the Mooretown, Allendale, Cedar Grove, and Stoner Hill neighborhoods.

Many of the revitalization activities included in the Model Block Program are intended to improve and increase housing opportunities and improve the existing housing stock in city designated revitalization neighborhoods. In addition, this program enhances neighborhood revitalization by encouraging façade improvements, rental rehabilitation, new construction, infill development, and creates incentives to entice additional housing developers into the area, as well as facilitating changes that create conditions conducive to all types of housing.

Through the Shreveport Model Block Program, the Community Development Department, in conjunction with private developers and CHDOs, will build new affordable housing on city-owned and privately owned vacant lots. The development of single-family homes will be concentrated in Model Block and revitalization areas. The city has an abundance of vacant, city-owned lots for development and will benefit greatly through this plan. In addition, the city will assist private developers to acquire property rights and begin development in areas where vacant lots are concentrated throughout the Model Block areas.

Existing housing programs, such as the Limited Repair Program, Wheelchair Ramp Program, Paint Your Heart Out-Shreveport, along with the newly created the Lease Purchase Program. MLK Partners and Building on Higher Ground will have a blitzing effect in these areas.

Partners include World Changers, a co-educational mission program of the North American Mission Board of the Southern Baptist Convention. World Changers stresses “hands-on”

involvement through the utilization of student labor in home construction and renovation work.

Initiatives like “World Changes” and “Paint Your Heart Out” will provide an opportunity for the city and faith-based organizations, as a community, to reconnect and rebuild our city. These initiatives will enhance the housing stock in the designated Model Block area, while providing youth and young adults with the educational and technical skills that will allow them future opportunities to secure and maintain employment gained from the experiences.

In 2005, the city implemented the Faith Builders Program which is designed to increase the knowledge and promote the ideas and works of organizations which are committed to developing their communities. This initiative is an integrated approach to building the capacity of non-profit organizations and housing developers, with a concentration on faith-based organizations, in the areas of housing and community development. This program is comprised of various components: a training curriculum, understanding how to acquire properties through the adjudicated property process, and the overall aspects of project development.

Under the Faith Builders Program, the city hopes to provide consistent, dependable, and reliable solutions to some of the problems confronting neighborhoods with the primary focus being abandoned and blighted properties. Approximately 6,000 parcels of real property have been adjudicated to the city wherein some have been abandoned for more than 5 years. As a result, these properties are more often in poor or deteriorated condition because of neglect in

maintenance and utilization beyond their life-cycle. Divesting the city/parish of these unneeded properties will return them to local tax rolls, spur housing and economic development, and reduce administrative expenses and liability.

AFFORDABLE HOUSING:

The Strategic Plan provides guidance on **affordable housing objectives and outcomes** for FY 2008. These are restated below with strategies and 2008 performance goals.

OBJECTIVE – Creating Suitable Living Environment

Outcomes:

1. Provide emergency repairs to homeowners needing urgent repairs to 20 housing units by December 31, 2008 for the purpose of creating suitable living environment.
2. Rehabilitate or reconstruct 5 units by December 31, 2008 for low-income homeowners
3. Complete 50 homes by December 31, 2008 through continued funding of volunteer home repair programs such as Paint Your Heart Out Shreveport and World Changers, for the purpose of creating suitable living environment.
4. Provide funding for homeowner limited repair and complete 15 units by December 31, 2008 for the purpose of creating suitable living environment.
5. Construct 15 wheelchair ramps for low-to-mod income disabled persons Provide wheelchair ramps to low-to-mod disabled persons for the purpose of creating suitable living environment.

6. Provide funding for roof replacement for 15 elderly or disabled homeowners.

OBJECTIVE – Providing decent affordable housing

Outcomes:

1. Expand homeownership classes and credit repair programs to 150 potential first-time homebuyers and the wider community looking to improve their ability to qualify for home mortgages by December 31, 2008 to provide decent affordable housing.
2. Provide down payment and principal reduction assistance to 25 low-income homebuyers by December 31, 2008 to provide decent affordable housing.
3. Complete a lease/purchase program by constructing 04 units to expand homeownership opportunities by December 31, 2008 to provide decent affordable housing.
4. Partner with faith-based and community organizations to provide decent affordable housing.
5. Provide funding for rental and/or homeownership activities for 25 units to CHDO's, CBDO's and other faith-based non-profits organizations by December 31, 2008 to provide decent affordable housing.
6. Make available permanent and temporary housing and other housing related activities for victims of Hurricane Katrina, if necessary, to provide decent affordable housing.

PUBLIC IMPROVEMENTS AND INFRASTRUCTURE:

OBJECTIVE – Creating suitable living environment

Outcomes:

1. Provide funding for infrastructure improvements in the CDBG eligible areas of Shreveport for the purpose of creating a suitable living environment.
2. Provide assistance for one transitional house for homeless youth pending application approval and provide funding for an early childhood development center by December 31, 2008 for the purpose of creating a suitable living environment.

ECONOMIC DEVELOPMENT:

OBJECTIVE – Create Economic Opportunities

Outcomes:

1. Restructure the small business loan program and implement new policies addressing and addressing management and oversight of the program, limitations in the dollar amount of financial assistance, loan applicant collateral, and job creation reporting requirements.
2. Encourage participation in state tax incentive programs, [10] Enterprise Zones, [2] Quality Jobs, and [1] Restoration Tax Abatement by December 31, 2008 to create economic opportunities.
3. Conduct one Business Entrepreneurial Skill Training (BEST) Class (40 participants) by December 31, 2008 to create economic opportunities.
4. Provide financial assistance (loans) to five (5) new or existing businesses that will result I the creation of at least ten (10) jobs for Shreveport residents from low-to-moderate

income households by December 31, 2008 to create economic opportunities.

5. Complete construction of the Martin Luther King neighborhood business incubator by December 31, 2008 to create economic opportunities.
6. Create two (2) new businesses in inner-city neighborhoods to promote economic opportunities through business ownership and job creation.

PUBLIC SERVICES:

OBJECTIVE – Availability/Accessibility for the purpose of creating suitable living environment

Outcomes:

1. Provide support to non-profit organizations to deliver services to youth and children specifically designed to address the academic and social challenges they face for the purpose of creating a suitable living environment.
2. Provide funding to non-profit organizations to deliver services to seniors for the purpose of creating a suitable living environment.
3. Assist one non-profit organization with transportation and/or health services for the purpose of creating a suitable living environment.

BARRIERS TO AFFORDABLE HOUSING:

Barriers – lack of available federal assistance for affordable housing; the supply of affordable rental housing is diminishing; local attitudes toward affordable housing; high costs of land and new construction in the Shreveport market.

Objective - Address barriers to affordable housing development and availability in order to reduce the cost burden on low and moderate-income residents.

Outcomes:

1. Fully implement the strategy to return adjudicated vacant lots to affordable housing production to provide a pipeline of lots to non-profits for development.
2. Expand homebuyer education and credit repair classes to increase the stream of qualified homebuyers entering the housing market.
3. Work with Community Partners to develop a widely accessible lease/purchase program that could help builders find buyers for affordable homes.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING:

The analysis provides a list of impediments to fair housing and strategies to address them which are identified as set out below:

Impediment: Lack of local fair housing legislation or ordinance

Strategy: The city should enact a fair housing ordinance.

Impediment: Lack of fair housing enforcement

Strategy: The city should institutionalize the enforcement process for receiving and investigating complaints, or passing the complaints on to another agency for investigation.

Impediment: Lack of public awareness of fair housing rights

Strategy: The city should develop a formal process for disseminating information.

Educational materials and public service announcements should be designed to make the public

more aware of their rights under law.

Affirmative Marketing Plan – The city of Shreveport, through a coordinated effort with other organizations, is committed to the goals of affirmative marketing and fair housing. The following steps will be taken:

- Inform the public, potential tenants, and owners about federal fair housing laws and affirmative marketing policies;
- Place news releases in the Shreveport Times and Sun promoting fair housing;
- Produce and utilize print and electronic media advertisements and public service announcements to spread public information on fair housing;
- Conduct fair housing workshops and seminars for the public; and
- Conduct fair housing presentations and seminars to the local Board of Realtors, lenders, and property owners.

Public Housing

The Shreveport Housing Authority (SHA) is in the process of modernizing all of its public housing developments. SHA has not been designated as “troubled” by HUD, or otherwise performing poorly.

SHA maintains a wide range of programs and services offered to tenants. These include after school activities for children, including reading and mentoring programs, scout troops for girls and boys, sports leagues, a Headstart program, and a bible study. SHA also operates a Family Self-Sufficiency Program for public housing and Section 8 residents and participates in a homebuyers program.

Program Specific Requirements

(1) CDBG Program Specific Requirements:

(i) Shreveport's CDBG entitlement funds are earmarked to continue to provide effective programming, monitoring, and management of activities meeting the CDBG national objectives: (1) benefiting low to moderate-income individuals; (2) eliminating slum and blight; and (3) addressing urgent needs.

The city utilizes a Request for Proposal (RFP) process to solicit projects for the upcoming fiscal year. Awards will be based on evaluation and ranking of individual project proposals.

The city reserves the right to negotiate the final grant amounts and local match. Priority will be given to projects located in the model block area or one of the 19 CDBG targeted or transitional neighborhoods. Large-scale economic development and housing projects are submitted year-round that require federal match or tax credits and land assembly. An applicant may be disqualified from receiving an award if prior expenditures, audits, or monitoring reports indicate an inability to utilize program assistance on a timely or effective basis.

Additional projects are determined based upon fulfilling the objectives outlined in the Consolidated Strategy Plan. The goal for 2008 is to improve the quality of life for low to moderate-income individuals and families by addressing specific problem areas, such as affordable housing, employment and job training, infrastructure, business development, homelessness, and public services.

- (ii) The CDBG entitlement for fiscal year 2008 is \$2,678,267. Funds will be used for, but not limited to, capital improvements, public services, emergency repairs, debt service reserves, housing rehabilitation, housing staff costs, business development, and administrative costs.
 - (A) There will be program income received before the start of the year that has not yet been programmed.
 - (B) There is no surplus from urban renewal settlements.
 - (C) There was no funds returned to the line-of-credit from which the planned use has not been included in a prior statement or plan.
 - (D) There was no income generated by a float-funded activity.

(2) HOME Program Specific Requirements:

HOME Match and Source:

Listed below is the identification of the 2006 - 2007 HOME Match and Source:

221-D4 Bonds	\$ 3,923.69
Excess Match from Prior Federal Fiscal Year	<u>11,771.06</u>
*Total	\$15,694.75

- (i) The City of Shreveport has no other forms of investment than those that are described in Sec. 92.305(b) of this HOME Investment Partnership Act.
- (ii) The HOME regulations dictate certain requirements for resale restrictions or recapture provisions when HOME funds are used to assist with homeownership purchases. These requirements can be found at 24 CFR 92.254. The basic requirement is that resale restrictions or recapture provisions apply throughout the affordable period.

The City of Shreveport will only use the recapture provision as identified

in 24 CFR 92.254(B)(ii), in its homeownership programs. This approach is easier to be understood by the borrower and it allows the deed restriction requirements of the resale option to be avoided. This also allows for better marketing of HOME funds in coordination with other private lending.

Using the recapture method will allow for an ongoing homeownership program because of regulatory requirements concerning the reuse of recaptured HOME funds for homebuyer assistance. Whereas the option for resale restrictions does not require the same level of ongoing assistance past the expiration of the affordability period.

HOME regulations require that properties sold by the HOME assisted homebuyer during the period of affordability be subject to recapture of the entire amount or a portion of the HOME investment. The City may exercise one of the options listed below:

OPTION 1.

In accordance with 24CFR 92.254(5)(ii)(A)(1), the city will recapture the entire amount of the HOME investment if the property is transferred during the affordability period.

OPTION 2

In accordance with 24 CFR 92.254(5)(ii)(A)(2), the city will reduce the HOME investment amount to be recaptured on a prorated basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

The reduction would be prorated based on the time the homeowner occupied the unit.

A form deed will be used for the conveyance of the property to the homebuyer, referencing the regulatory covenants. The deed will also stipulate that the purchaser shall own and occupy the subject property as his/her principal residence throughout the Period of Affordability.

- (iii) **Multifamily Housing Refinancing** – The city does not intend to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds. In addition, the funds will not be used to refinance multifamily loans made or insured by any federal program. The city is aware that HOME funds cannot be used to refinance

multifamily loans made or insured by any federal program, including CDBG.

The Recapture Provisions identified in this section are applicable to homebuyer assistance, the homeowner, and the developer.

The majority of HOME funds will be targeted to nine specific neighborhoods; Allendale, Ledbetter Heights, Mooretown, Stoner Hill, Martin Luther King, Queensborough, Ingleside, Cedar Grove, and Lakeside. All other HOME funds will be distributed on a citywide basis. All new investments will be made to maintain current affordable units or create additional affordable housing units.

CHDO set-aside funds will be distributed on a competitive basis. CHDO operating funds will be made available to those CHDOs developing projects utilizing HOME funds.

(3) ESG Program Specific Requirements:

ESG funds are awarded to homeless providers on a competitive basis. The city will use the Request for Proposal process for selecting projects. Awards shall be based on an evaluation and ranking of individual project proposals. The city reserves the right to negotiate the final grant amounts and local match. Priority will be given to projects that are an integral part of the local Continuum of Care. An applicant may be disqualified from receiving an award if prior expenditures, audits, or monitoring reports indicate an inability to utilize program assistance on a timely basis.

(4) ADDI Program Funds

These funds will provide down payment, closing costs, and rehabilitation assistance

to eligible individuals. The city intends to utilize these funds to rehabilitate fourteen (14) houses in the city's existing surplus inventory and adjudicated properties inventory, that will be donated to (14) non-profits and/or faith-based organizations for home-ownership or rental to low and moderate income families. The goal is to invest a maximum of \$10,000 per unit to be used with a cash or in-kind match from the non-profit or faith-based organization to leverage the funds. The rehabilitation assisted with ADDI funds will be completed within one year of the home purchase. The city will contact all CHDOs, the Public Housing Authority, neighborhood associations, social service agencies, and faith-based organizations to inform them of the availability of these properties in an effort to secure potential purchasers or tenants for the homes. The city will continue to work with approved Homebuyer Education providers to determine interest in purchasing these properties. All potential purchasers will be required to attend a first time Home Buyers Education class, and be financially able to service a mortgage, utilities and potential home repairs and maintenance.

Credit and budget counseling will be available for families needing to address the barriers that deter them from homeownership. Families with Section 8 certificates may also qualify for rent to own. Downpayment assistance will be utilized to cover interest rate buy-down, principal reductions, pre-paid and closing costs to help each family reach their dream of homeownership.

Monitoring Plan

The objective of the Department of Community Development's Monitoring Plan is to ensure that regulatory and contractual obligations are being accomplished. This will be an ongoing process.

As part of the process we will identify and track program and project results; identify technical assistance needs of the recipient; ensure timely expenditure of program funds; review documentation for compliance with rules and for preventing fraud and abuse.

GOALS

The goals of monitoring are to determine whether recipients are:

- Complying with HUD specific requirements, especially meeting the national objectives set forth in 24CFR 570.208, and other local, state, and federal laws and regulations;
- Carrying out their project(s) activities as described in their application/proposal and contract;
- Carrying out their project activities in a timely manner, in accordance with adopted project implementation schedules;
- Charging costs to the projects which are eligible uses of funds and consistent with the approved project budget; and
- Conducting the program in a manner that minimizes the opportunity for fraud, waste, and mismanagement.

On-going Monitoring

The monitoring staff ensures ongoing compliance by conducting regular on-site visits to assure adherence with contract provisions, requirements, and applicable federal, state and local regulations. The frequency of visits is based upon program regulations, contract

requirements, and on an as-needed basis.

As part of the ongoing activities, desk reviews by the monitor will examine routine and special reports that may be submitted by Housing Staff, housing owners, housing developers, housing sponsors, sub recipients, contractors, and loan recipients. This information will allow the monitor to assess performance and identify compliance problems if any exist. Should the desk review disclose deficiencies, the monitor will confer with the Bureau Chief to determine if a site visit is required.

Each grant recipient (other than for homeowner repair) will be monitored on-site, at least once each year. Recipients for homeowner repairs will be monitored randomly. Ongoing compliance is assured through regular on-site monitoring visits for compliance with contract provisions and requirements. The entity being monitored will be notified in writing at least two weeks prior to the monitor going on site. As part of the notification, the entity will be advised of the date and time of visit, the name of the staff conducting the visit, the elements of the program to be monitored, the files and records that will be reviewed, and who should be available for interview. A monitoring checklist will be used to determine compliance with applicable contractual and regulatory requirements. Before conducting the visit, the monitoring staff should, at a minimum, review the entity's proposal/application, any executed agreements, financial status reports, progress performance reports, any previous correspondence, and previous on-site monitoring reports.

An initial meeting should occur with the executive director, borrower, developer or other designated official to explain the purpose for the review. Staff members of the

organization may be interviewed to gather information about the program or project. Additional material provided by the entity may be reviewed to obtain more information about the program or project. A representative sample of files to be maintained by the organization should be examined to verify the existence of required documentation, and to verify the accuracy of reports being submitted. An exit conference will be conducted with appropriate persons to discuss preliminary conclusions of the review and to identify any follow-up if necessary. After visiting the project site, the monitor will properly document the results of the review. Complete any applicable checklists and document with clear notes. Depending of the findings or concerns identified, the nature of follow-up will then be decided. If findings or concerns require a response, the entity will have 30 days from the date of the letter to respond. In the event that the monitoring findings are not answered at the target date for corrective action, a telephone call, along with a follow up letter, will be mailed and documented for the file. When the responses have been received, the corrective action proposed or taken will be reviewed by the appropriate staff. These reviews will be completed within (15) calendar days of receipt of the response.

A follow-up may be necessary to verify corrective action or to provide technical assistance when the findings are unable to be resolved or corrected. This follow-up will occur within 90 days or receipt of the response. When the Department of Community Development determines that a corrective action is satisfactory, a letter will be sent stating the finding(s) is closed.

Using Risk Analysis

A risk analysis will be completed on recipients to determine the frequency and the level of monitoring to occur. Risk factors to consider are:

1. Financial:

- a. Grant amount: Entities will be monitored by the dollar amount of the CDBG loan or grant they received. They will be divided into categories and assigned a point value that reflects the risk involved: “high”, “moderate”, or “low”.
- b. Timeliness: A point value to the efficiency demonstrated in expending the grant and moving toward completion.
- c. Program Income: Sub recipients that generate program income will be ranked and divided into categories with a point value.
- d. Audits: If the Sub recipients are overdue with a required audit or if the most recent audit has unresolved findings, a point value will be assigned for the risk.
- e. Section 108 Loans: If the entity is administering activities with Section 108 Loan funds, HUD’s sub-factors will be used as guidance.

2. Management:

- a. Program complexity: Multiple funding sources will add to the risk, or the nature of the activity itself may increase the degree of risk.
- b. Timely and Accurate Submissions: The entity’s responsiveness and accuracy with reports the grantee requires will determine the level of risk.
- c. Program Administration Cap: The entity’s ability to stay within its budget (as well other CDBG budget line items) will determine the risk.
- d. Staff Capacity: New, inexperienced staff, a high level of turn over, or unfilled vacancies for key staff positions will signal a higher degree of possible risk.
- e. On site Monitoring: If the grantee has not monitored this entity within the past year, there is risk. Even good performers need routine monitoring to ensure they continue to do well.

3. Satisfaction:

- a. Citizen Complaints: The number and type of citizen complaints the entity receives (or reads about in the paper) will define the risk involved from the entity to be monitored.
- b. Responsiveness: The entity's cooperation toward the grantee and its effectiveness in providing services to beneficiaries will determine the level or risk.

4. Services:

- a. Meeting National Objectives: The entity must be able to demonstrate the activities were carried out consistent with National Objectives. Failure to do so puts the city at a greater risk.
- b. Relocation: If an entity has triggered the requirements of the URA or 104(d) with projects involving acquisition, rehabilitation, or demolition, given the exposure the city has for compliance (and the financial repercussions if there is non-compliance), there is a high risk.
- c. Environmental: If CDBG funds are awarded for project administered by another entity and there are significant environmental issues, the risk to the city is great.

A letter will be sent indicating if the response is adequate or if additional information is needed. A follow-up may be necessary to verify corrective action or to provide technical assistance when the findings are unable to be resolved or corrected. This follow-up will occur within 90 days of receipt of response. When the Department determines that a corrective action is satisfactory, a letter will be sent stating the finding(s) is closed.

Lead Based Paint

Homebuyer Program:

Buyers participating in the Homebuyers Assistance Program Participation Initiative (HAPPI) are made aware of the hazards of Lead Based Paint by the real estate broker.

The buyers and sellers are required to sign a Lead Based Paint disclosure and warning upon executing the Buy-Sale Agreement with the real estate agent. This disclosure and a pamphlet that describes the hazards of LBP are provided to the buyer and the lender along with the Buy-Sale agreement and other real estate disclosures. A copy of this disclosure is provided to Community Development with the reservation request for down payment assistance funds.

Homeowner Program:

Homeowners are provided a copy of the booklet, *Protect Your Family From Lead In Your Home*, and a disclosure is signed acknowledging receipt. Because of the age of the housing stock in our city, it is assumed that the majority of homes that we provide rehab assistance are affected by lead. If there is some question about the age of a house, or if the home has small children, or has in the past been identified as a home that tested positive for lead paint poisoning and been encapsulated, the home is tested using the XRF gun as a precaution. All houses receiving rehab assistance, specifically where painting is done, are power washed and hand scraped, using poly drop cloths to keep from contaminating the soil. The scrapings are disposed of by the contractor in the appropriate landfill for environmental hazards. Safe work practices are used in all instances.

**2008 ENTITLEMENT SUMMARY
(Expenditures)**

Activity	Amount of Funds Available
Administration	\$673,972.00
Housing	2,387,502.00
Homeless Services	115,912.00
Capital Improvements	300,000.00
Public Services	400,000.00
Special Projects	300,000.00
Total	\$4,177,387.00

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Activity	Amount of Funds Available
Administration	\$535,653.00
Program Staff	276,300.00
Capital Improvements	300,000.00
Special Projects	300,000.00
Public Service	400,000.00
Housing Projects	866,314.00
Total	\$2,678,267.00

HOME INVESTMENT PARTNERSHIP FUNDS (HOME)

Activity	Amount of Funds Available
Administration	\$138,320.00
Program Staff	110,000.00
CHDO Set-Aside	205,500.00
CHDO Operating Expense	68,032.00
Housing Activities	838,806.00
Total	\$1,360,658.00

EMERGENCY SHELTER GRANT FUNDS (ESG)	
Activity	Amount of Funds Available
Homeless Services	\$115,912.00
Total	\$115,912.00

AMERICAN DREAM DOWNPAYMENT INITIATIVE (ADDI)	
Activity	Amount of Funds Available
ADDI	\$22,550.00
Total	\$22,550.00

APPENDICES

A. CERTIFICATIONS

B. MAPS

C. CITIZEN PARTICIPATION

CITY OF SHREVEPORT
Department of Community Development
2008 Annual Action Plan
Public Comment Form

COMMENT:

COMMENT:

COMMENT:

COMMENT:

COMMENT:

D. PROOF OF PUBLICATION

*City of Shreveport – 2008 Annual Action Plan
Department of Community Development
Cedric B. Glover, Mayor
Bonnie Moore, Director*

PROJECT ACTIVITY SHEETS