

**NOTICE OF AVAILABILITY FOR PUBLIC REVIEW AND COMMENT
OF THE CITY OF POCATELLO'S
CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT
ON THE PROGRESS OF ITS 2010/2011 ANNUAL ACTION PLAN
FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING
AND POTENTIAL AMENDMENTS
TO THE 2010-2011 and 2011-2012 ANNUAL ACTION PLANS**

In accord with its Citizen Participation Plan and U.S. Department of Housing and Urban Development requirements and based on the grant year beginning 4/1/10 and ending 3/31/11, the City of Pocatello announces the availability of its 2010/2011 Consolidated Annual Performance & Evaluation Report as well as potential amendments to its 2010/2011 and 2011/2012 Action Plans. The Consolidated Annual Performance and Evaluation Report provides an annual picture of the City's program performance in revitalizing deteriorated neighborhoods and meeting the objectives stipulated in its Consolidated Plan for CDBG funding.

The Consolidated Plan enables officials and citizens to collectively solve neighborhood and community problems. The overall goal of the Consolidated Plan is to develop viable communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low and moderate income persons.

Based upon the Consolidated Plan adopted by the Pocatello City Council, the original 2010/2011 Action Plan and its subsequent amendments included many individual activities involving multiple agencies as well as several City departments. The City's Annual Performance Report primarily focuses on those activities and consists of both a financial summary and an activity summary.

The City Council will consider the submittal of the Annual Performance Report and the potential amendments to the Action Plans following public hearings on Thursday, June 16, 2011, at 6:00 p.m. Therefore, the public is hereby notified that a draft of the 2010/2011 and 2011/2012 proposed action plan amendments will be available for examination and public comment from Tuesday, May 17, 2011, at 3:00 p.m. through Thursday, June 16, 2011. The draft 2010/2011 annual performance report will be available for examination and public comment from Wednesday, June 1, 2011, at 3:00 p.m. through Thursday June 16, 2011. The report and proposed amendments will be available in the Planning & Development Services Department at City Hall, 911 North 7th, at the Marshall Public Library, 113 S. Garfield, and on the City's website at www.pocatello.us on the dates referenced.

Citizens may also submit written comments on the report or the amendments on or before 5:00 p.m. MDT on Thursday, 6/16/11 to: Melanie Gygli, Neighborhood and Community Services Division Manager, City of Pocatello, 911 North 7th, PO Box 4169, Pocatello, ID. All citizens are encouraged to participate. In accord with HUD requirements, a summary of public input will be submitted to the US Department of Housing and Urban Development along with the Annual Performance Report and amendments.

City Hall and the Council Chambers are accessible to persons with disabilities. Interpreters for persons with hearing impairments and/or taped information for persons with visual impairments can be provided upon three (3) days notice. For accessibility arrangements, please contact Dave Hunt, ADA Coordinator, at voice phone: 208.232.5057; TTY: 208.232.5071; fax: 208.233.5149; e-mail: dhunt@pocatello.us; mailing address: P.O. Box 4169, Pocatello, Idaho 83205-4169; physical address: 215 West Bonneville Street, Pocatello.

CITY OF POCATELLO PUBLICATION DATE: Monday, May 2, 2011



Program Year 2010 Consolidated Annual Performance and Evaluation Report

In April 2010, Pocatello was designated one of the
“Best Small Places for Business and Careers”
by Forbes.com for the sixth year in a row

In September 2010, Kiplinger.com designated
Pocatello as one of the
“10 Great Cities for Raising Families”

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CONSOLIDATED ANNUAL PERFORMANCE & EVALUATION REPORT

April 1, 2010, through March 31, 2011

INTRODUCTION

In accordance with 24 CFR Part 91.520 of Title I of the Housing and Community Development Act of 1974, as amended, the City of Pocatello, a federally-designated entitlement community, is required to conduct an annual review of its Community Development Block Grant (CDBG) program and report on the progress it has made in implementing its five-year strategic plan to the United States Department of Housing and Urban Development (HUD). This document represents the City of Pocatello's Consolidated Annual Performance and Evaluation Report (CAPER) for the City's CDBG program year from April 1, 2010, through March 31, 2011. The CAPER is also essential in communicating progress to residents of Pocatello's low- and moderate-income areas.

The Pocatello CDBG Advisory Committee reviewed the report on May 31, 2011, and recommended City Council approval and authorization to forward the report to HUD. A draft of this report was available for public review from Wednesday, June 1, 2011, through Thursday, June 16, 2011. The City Council reviewed and approved this document on June 16, 2011.

I. EXECUTIVE SUMMARY

The following Consolidated Annual Performance and Evaluation Report represents completion of the fourth year of the City of Pocatello's 2007-2012 Consolidated Plan. It evaluates activities that were undertaken in Program Year 2010 to address priority community needs.

The following summary presents the initiatives and highlights of activities for the PY2010 grant program and the goals and accomplishments associated with them.

Consolidated Plan Goal #1:

Maintain an adequate supply of permanent, affordable housing of adequate quality and safety for low/moderate income occupants.

The first proposed activity under Goal #1 was designated high priority. Twenty-six HQS and emergency rehabilitations through City and PNHS programs were to be completed. Twenty-three HQS and emergency rehabilitation projects were completed for low- and moderate-income (LMI) homeowners.

The second proposed activity under Goal #1 was designated high priority. Eleven sites were to be acquired for the creation of affordable housing units to be sold to LMI homeowners. Five properties were acquired resulting in sites for ten new owner-occupied units.

The third proposed activity under Goal #1 was designated high priority. Three sites were to be cleared in preparation for infill development. During this program year, five dilapidated structures were demolished and sites prepared for development.

The fourth proposed activity under Goal #1 was also designated high priority. Eleven housing units were to be created. This program year saw the creation of six housing units that were occupied by homeowners.

Finally, the fifth proposed activity under Goal #1 was to acquire, rehab, and resell one LMI housing unit. This activity was not undertaken; rather, the funds were amended by the City Council to be used for acquisition of property to allow for additional new homes to be constructed.

Consolidated Plan Goal #2:
Assist special-needs populations with social service and housing needs.

The City's proposed activity under Goal #2 was to purchase bus fares for up to 110 Aid for Friends clients. This goal was designated as high/moderate priority. This goal was accomplished; 3014 individual bus fares were purchased for up to 190 clients of Aid for Friends.

Consolidated Plan Goal #3:
Reduce Homelessness

This proposed activity under Goal #3 was designated high priority and was to replace the roof and the men's area flooring in the Aid for Friends homeless shelter. The goal was partly accomplished; the roof was replaced; however, asbestos was found in the shelter flooring. Removal of the asbestos will necessitate completely closing off the sleeping area so the work was delayed until Spring or Summer 2011.

Consolidated Plan Goal #4:
Continue commercial and residential revitalization efforts in central neighborhoods.

The proposed activities under Goal #4 were designated high priority and were to complete one neighborhood project, 10 ADA corners and one individual sidewalk. Improvements to the Bremmer Park neighborhood project were completed this past summer with funding from Program Year 2009. No ADA corners or sidewalks were installed. The planned neighborhood sidewalk program is scheduled for completion during Program Year 2011.

Consolidated Plan Goal #5:
Continue to support and implement economic development activities that eliminate blight, promote private reinvestment and expand economic opportunities for low- and moderate-income persons.

Proposed activity #1 under this goal was designated high priority. The activity was to acquire and clear a site for redevelopment and to provide relocation assistance if needed. A parcel at 304 North 3rd was acquired, cleared and sold to the owner of neighboring commercial property. Relocation of a rental tenant was required and is underway. Relocation is expected to be completed during PY2011.

Proposed activity #2 under this goal was designated high priority. The activity was to complete improvements to the Warehouse Parking Lot that was funded in PY2009. Improvements were completed in PY2010.

Proposed activity #3 under this goal was designated low priority. The activity was to begin planning for on-street parking enhancements in the Warehouse District. Planning was not accomplished.

II. SUMMARY OF RESOURCES AND DISTRIBUTION OF FUNDS

Appendix II is the City's Action Plan Financial Summary for PY2010 and provides a general overview of how federal funds have been disbursed for projects that have furthered the objectives of the City of Pocatello's 2007-2012 Consolidated Plan. The CDBG financial report, Appendix III-B, IDIS Report

PR26, also provides a summary of the funding spent during the 2010 program year. The project map, Appendix IV, shows the geographic distribution of funding and projects.

III. ASSESSMENT OF FIVE-YEAR GOALS AND OBJECTIVES

The City of Pocatello has just completed its 14th year of CDBG-funded projects as an entitlement community. This Action Plan year is the fourth under the City’s 2007-2012 Consolidated Plan. The City continues to make progress toward the five major goals of the Plan, which are: 1) maintain an adequate supply of permanent, quality, affordable housing for low- and moderate-income occupants, 2) assist special-needs populations with housing and social services, 3) reduce homelessness, 4) continue commercial and residential neighborhood revitalization efforts in the City’s central neighborhoods and 5) implement economic development activities that eliminate blight, promote private investment, and expand economic opportunities for low- and moderate-income persons.

The two tables below show accomplishments in the easily quantified areas of housing rehabilitation and new housing creation. Specific activities and accomplishments within PY2010’s Action Plan are detailed in this narrative and the attached appendices.

Table 1

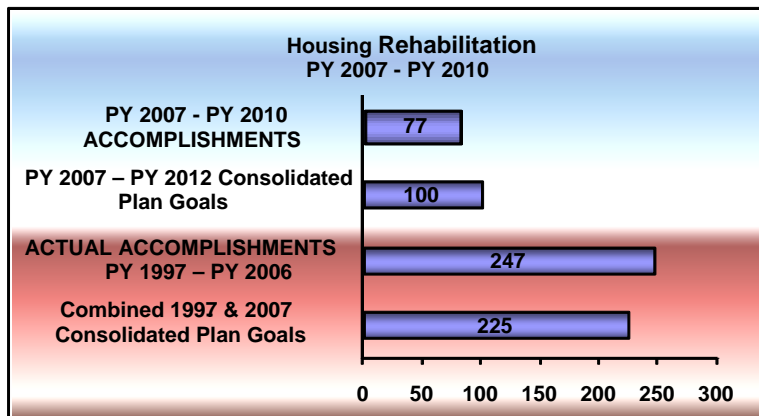
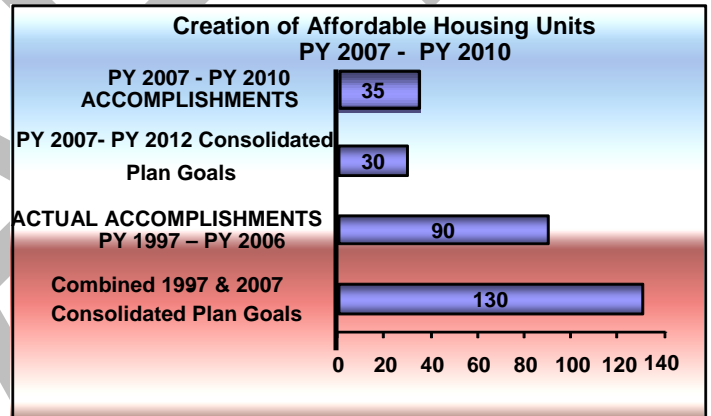


Table 2



As is explained in the Section X Self-Evaluation, with 80 percent of its Consolidated Plan time frame expired, Pocatello is largely on track with its housing rehab efforts (77 percent of five-year goal achieved). At its current rate, creation of new housing units will far exceed the goal set for 2007-2012 (116 percent of five-year goal achieved).

IV. AFFIRMATIVELY FURTHERING FAIR HOUSING

Completion of the City’s 2007-2012 Consolidated Plan included an update to the City’s Fair Housing Plan, including an Analysis of Impediments to Fair Housing Choice along with goals and objectives to further fair housing. The 2010 program year represents the 12th year of effort by the City’s Fair Housing Committee which was established to combat the first and most significant impediment to fair housing choice, “organizational capacity.” The Committee continues to work to implement the goals of the Analysis of Impediments and Fair Housing Plan, with NCS staff facilitating the Committee’s work. In conjunction with Brian Dale, Operations Specialist in HUD’s Idaho Office of Field Policy and Management, NCS staff continued to meet with the Idaho Fair Housing Forum on statewide coordination of fair housing matters.

As part of the 2012-2017 Consolidated Plan, an updated Analysis of Impediments will be prepared.

The following is a description of progress made during the program year April 1, 2010, through March 31, 2011, within each of the Fair Housing Plan goal areas.

Goal 1: Increase landlord and resident awareness and knowledge of fair housing.

- From April 2010 through March 2011 the City of Pocatello Fair Housing Committee met four times.
- The Fair Housing Committee met with the City Council to report on committee work and issues pertaining to Fair Housing in May 2010.
- As part of Fair Housing Month, the committee facilitated a proclamation by the Mayor declaring April as Fair Housing Month in Pocatello.
- City staff presented fair housing information to the Greater Pocatello Association of Realtors® at their April 2010 luncheon, in an effort to further the education of this stakeholder group.
- As part of the objective to develop “user friendly” fair housing literature, an informative brochure was developed in 2001. This brochure remains current and was available for distribution during the 2010 program year. It was developed to explain who is protected under the Fair Housing Act and to provide contact resources for questions related to fair housing.
- The local media and the City government access channel continued to promote educational efforts for fair housing including information on upcoming fair housing workshops.
- Once again, the April 2010 Mayor’s Newsletter included an article about fair housing, its history, the protected classes and the City’s fair housing goals. The newsletter is sent out with the City’s utility bill and so reaches the majority of homeowners in the City.
- Neighborhood and Community Services reviews the Idaho State Journal regularly to assure the Equal Housing Opportunity notice is published.

Goal 2: Better understand if and how fair housing violations are occurring in Pocatello.

- As part of their quarterly meeting agenda, Fair Housing Committee members review reports of fair housing complaints that have been filed in the region, the basis of the complaints, and their disposition. In addition, current-year complaints are compared to previous-year complaints to determine if local educational efforts continue to be effective.
- The City of Pocatello has revisited its own Affirmative Marketing Plan for compliance with fair housing law and HUD requirements.
- Pocatello Neighborhood Housing Services (PNHS) has revised its affirmative marketing plan and construction policies and procedures for compliance with fair housing law and HUD requirements.
- The City of Pocatello’s Human Relations Advisory Committee may refer overlapping issues to the Fair Housing Committee if necessary.

Goal 3: Work to assist residents with special needs in obtaining more housing opportunities and adequate supportive services.

- The Fair Housing Committee continues to work with the City's affordable housing partners, Pocatello Neighborhood Housing Services (PNHS), Southeastern Idaho Community Action Agency (SEICAA), and Habitat for Humanity to provide accessible housing where needed and possible. With the City's continued participation in the Neighborhood Stabilization Program, if an appropriate home can be located from among the list of foreclosed properties, it may be rehabbed as an accessible home.
- Although not directly tied to fair housing efforts, the City funded subrecipient Aid for Friends to purchase fares on Pocatello Regional Transit. This allows homeless clients to more easily access needed services, including housing or credit counseling.
- The City is working on conducting a four-factor analysis as we step toward compliance with Title VI and the limited English proficiency requirements.

Goal 4: Increase information about access to credit in central neighborhoods through homebuyer education and fair housing education awareness.

- Two of the City of Pocatello's affordable housing partners, PNHS and SEICAA, offer a variety of classes designed to educate potential homebuyers, increase awareness about credit options and potential problems, etc.
- The City worked with the Southeast Idaho Housing and Homeless Coalition during PY2010 to bring a bill to the Idaho Legislature concerning payday loans. Although we were not successful, groundwork has been laid. The Idaho Legislature elected to leave this issue to the newly formed federal Consumer Financial Protection Bureau. It remains to be seen what and how this bureau will impact homebuyer education about credit issues. The Coalition plans to continue efforts with the Idaho Legislature should the new federal regulations not provide needed assistance and relief.

V. AFFORDABLE HOUSING

The City continued to make progress toward creating and maintaining affordable housing for homeowners making less than 80 percent of the area median-income. The numbers of extremely low and low- and moderate-income households assisted is detailed in Appendix III-A. As shown in Tables 1 and 2 above, in 14 years of entitlement, 125 new units of affordable housing have been created (for details on PY2010 accomplishments, see Activity 56 in Appendix III-A) and 324 units have been rehabilitated (for details on PY2010 accomplishments see Activities 40 and 61 in Appendix III-A). With the continuing availability of the Neighborhood Stabilization Program 1 (administered in Idaho through Idaho Housing & Finance Association), NCS staff continues to evaluate opportunities that might increase the affordability of Pocatello's housing stock and improve the City's central neighborhoods.

The City has continued to work with local nonprofit developers, Gateway Habitat for Humanity (Habitat), Pocatello Neighborhood Housing Services (PNHS), and Southeastern Idaho Community Action Agency (SEICAA), on shared-development efforts. In cooperation with these and other nonprofit organizations, several important steps are being taken to eliminate the barriers to affordable housing. These steps include the following:

- LMI loan programs for both current homeowners and those seeking to purchase homes;
- Targeting rehab and accessibility modifications to maintain the current stock of affordable homes;
- Continued monitoring of the community's landlord loan program. The original program was designed to encourage private landlords to improve their properties and lease to families receiving voucher assistance. The Housing Authority of the City of Pocatello (HACP) continues to set aside its own funds for loans in this program. Sunny Shaw, Executive Director of the HACP, indicates an increase in interest from landlords over the past year. Two loans were approved during Program Year 2010, and another application is expected within a month or two. Ms. Shaw feels that having a *"Rental Rehab Plan program (is) a win-win for all involved. For the Housing Authority and the tenants it has added quality to the stock of rentals in the community. The landlords have had the opportunity to make improvements to their units by utilizing low interest loans."* She plans to invite more landlords to use this relatively limited opportunity. The City also feels the program is worthwhile and supports HACP in its efforts.
- Since PNHS was created in 1994, the City has assisted with approximately \$1,589,131 of Small City Entitlement CDBG funds. PNHS continues to operate emergency repair, rehab, and home purchase programs in the City's central neighborhoods. During this program year, PNHS completed 14 rehabilitation projects (one was an emergency loan; the remainder were housing quality standards projects) for owner occupied dwellings at an average cost of \$11,606, which was a 42 percent increase over last year. Seven were for moderate-income households, with the remaining seven below 50 percent median. In addition, PNHS completed and sold one infill home to an LMI property owner who was at 52% median income.
- Southeastern Idaho Community Action Agency (SEICAA) and Gateway Habitat for Humanity both operate affordable housing programs serving households at no more than 50 percent of median and no more than 60 percent of median, respectively. During this program year, SEICAA completed three single family units (all between 30-50 percent LMI households) while Habitat completed two units (both between 30-50 percent LMI households).
- The City's RENEWAL (Revitalizing Existing Neighborhoods through Enhancement Work and Livability) program celebrated 13 years of existence this year, and eight LMI homeowners were assisted. Five of those households were below 50 percent median, with the balance below the 80 percent median range. Seven of the eight projects were emergency repairs averaging \$12,005, nearly double the cost from last year. One was a housing quality standard (HQS) project costing \$19,281, more than three times the cost of the previous year's project. The City's overall CDBG program incorporates the following, all of which will continue in the PY2011 Action Plan:
 - Housing rehab, including accessibility improvements
 - Emergency repair outside the central neighborhoods
 - Demolition of unsafe or blighting structures
 - Acquisition of vacant problem property for affordable housing redevelopment
 - Sidewalk repair program

A CDBG funded part-time employee maps housing projects in Pocatello including updates of the City's housing rehab and infill assisted projects. This position also assists with urban renewal and HUD reporting requirements.

- In program year PY2009, the City acquired its first “Rescue, Restore, Resell” home which was rehabbed and sold. With the advent of Neighborhood Stabilization Program (NSP) funding, its similarity in purpose, and in accord with the reallocations approved by the City Council in the amendment of June 17, 2010, the City will suspend this program once a slow-moving rehab project involving the Juvenile Justice Program is completed on West Carson. NSP1 progress is delineated later in this section.
- City and PNHS housing programs continued to address “worst case” needs and accessibility needs of persons with disabilities by: 1) utilizing the City of Pocatello’s windshield surveys to identify worst-case needs, 2) obtaining referrals from neighborhood associations, 3) placing door hangers offering services, 4) advertising in the Mayor’s and PNHS’s newsletters and on the City’s website, 5) providing referrals to community partners such as SEICAA (weatherization), 6) providing rehab loans utilizing Neighborhood Reinvestment Corporation funds to homeowners with code violations who did not meet LMI criteria. PNHS continues to operate their Tool Lending Trailer, providing LMI owners with access to yard and house maintenance equipment for a very nominal fee.
- The City’s CDBG Advisory Committee was designated to review potential barriers to affordable housing. Additional information on this topic appears in Section VII-C.

No affordability comments were submitted at the October 2010 needs hearing. Generally, Pocatello’s single-family housing stock remains relatively affordable with a median price of \$120,987, as reported by CNN Money’s Best Places to Live, with Pocatello MLS data showing \$125,000 as the median price. (Note: MLS data may not contain information on new construction.) The MLS reported price is slightly lower than the 2009 reported median of \$127,650. According to MLS data on single family dwellings, average home prices in Pocatello rose steadily from 2003 through 2007, then dropped a combined 6.59% in 2008 and 2009. A very slight recovery of 0.18 percent occurred in 2010 according to figures abstracted from the Pocatello MLS by the Paul Smith Agency, a local appraisal firm. Anecdotally, however, some local real estate agents estimate the average home price has dropped about 10% percent over the last few years. Unfortunately, compared to last year, more affordable houses have also lost some value, although not as precipitously as higher-end homes. Also of concern is that sale of new infill homes has slowed, with one on the market for many months. Pocatello remains hopeful that affordable home sale prices will stabilize, despite increasing numbers of foreclosures and slightly longer days on the market.

The City has continued to take an active role in the acquisition and preparation of sites for new affordable housing. Twelve (eight PNHS, two SEICAA, two Habitat) CDBG-provided building sites have been made available for construction for the upcoming program year. However, because of market conditions and changes in HOME regulations regarding developer fee draws, PNHS may begin creating homes on a sell one-start one basis. They may also reduce the number of houses completed per year until the housing market begins to improve. Sites for an additional seven CDBG-backed units for use in future program years are currently owned by PNHS. It is expected that one NSP1-provided site will be completed and sold during program year 2011.

Following HUD’s directive, the City’s Consolidated Plan is used as guidance for consistency review of other HUD program applications. This is vital to the City in working collaboratively with other revitalization partners. Pocatello is a small entitlement city and receives CDBG assistance. HOME and ESG funds are distributed on the state level, and then passed through to local agencies. These consistency reviews and cooperation ensure that assisted programs are addressing the goals and strategies identified in the City’s Consolidated Plan which are critical to continued success. As described more specifically in the next section, during this program year, the City performed consistency reviews for PNHS, Bannock Youth Foundation, HACF, SEICAA, Aid for Friends, and Family Services Alliance.

A continuing affordability issue for low-income homeowners is the rising cost of home maintenance with limited budgets. There is a continuing need for additional funding and enhanced outreach to ensure that housing rehabilitation programs are addressing the needs in the community. As discussed in more detail later, code enforcement efforts continue to be used for finding homes which may pose the greatest threats to their occupants as well as contributing to the decline of the City's central neighborhoods. Additionally, windshield surveys performed by NCS staff are used to identify potential rehab needs. These efforts aid in prioritizing projects using limited rehabilitation capital and staffing. Code enforcement efforts are linked with offers of assistance offers and outreach to low- and moderate-income residents. The City and PNHS operate the rehabilitation programs on a parallel sliding scale for LMI homeowners and owners are referred between the two programs, if needed, to offer the best possible option for home repairs. The intent is to address worst-case scenarios and improve health and safety concerns.

City staff refers homeowners to PNHS and SEICAA credit counseling services to assist in alleviating problems with their personal finances, including problems caused by predatory lending practices. In past program years, workshops on predatory lending were held to educate the public. This year the City supported efforts to create legislation regulating payday loan operations in Idaho.

Despite national outrage on this subject in recent years and attempts to create state and federal legislation to address the problem, the effects of predatory lending continue to threaten affordable housing. Predatory lending practices continue to contribute to foreclosures involving low- and moderate-income homeowners, discussed further in Section VII-C. The City and PNHS monitor local foreclosures and attempt to intervene with assistance prior to foreclosure or, if funding allows, acquire those properties in greatest disrepair or those that might best fill affordable housing needs for Pocatello's low- and moderate-income residents.

The addition of NSP1 funds has resulted in the purchase, rehab, and resale of four homes to LMI households. As of the date of this report, five NSP1 houses are in various stages of the process; one under contract, one awaiting final concrete work and three awaiting clearance from IHFA concerning issues related to lead-based paint.

An NCS staff member continued as a member of the Idaho Community Reinvestment Corporation (ICRC) Board of Directors over the past year. However, with recent staffing changes, this has not been continued.

VI. CONTINUUM OF CARE

Aid for Friends (AFF) is the lead agency in Idaho's Region 5 addressing homeless needs. It is a private, nonprofit organization that provides emergency shelter, transitional housing, and other support services to individuals and families facing homelessness. AFF offers opportunities, resources, and services to empower people to bring stability into their daily lives.

Helping homeless people is a priority for the City. However, since Pocatello does *not* directly administer McKinney-Vento funds, including Supportive Housing (SHP), Shelter Plus, or Emergency Services Grant (ESG), it does *not* have its own Continuum of Care. Close collaboration is maintained, however, with regional nonprofits who work in partnership with Idaho Housing and Finance Association (IHFA).

As in previous program years, NCS staff continued to participate with the Southeast Idaho Homeless and Housing Coalition to coordinate and collaborate on both housing and homeless population issues. Coalition members include representatives of 18 different public agencies and nonprofit organizations. Quarterly meetings are held to ensure that coordination occurs and that shared obstacles are identified and

considered. This year the Coalition made efforts to convince the Idaho Legislature to better regulate payday loan businesses. This is discussed in more detail in Section VII. C.

The Idaho Housing and Finance Association (IHFA) administers HUD Emergency Shelter and Supportive Housing Grant funds that benefit local homeless individuals and providers. However, since Pocatello is a HUD entitlement community and because reduction of homelessness is a strategy of the City's Consolidated Plan, the Southeast Idaho Community Action Agency (SEICAA), Aid for Friends, Bannock Youth Foundation, and Family Services Alliance submitted their applications to the City's CDBG Advisory Committee for consistency review and comment at its January 2011 meeting, as follows.

Southeastern Idaho Community Action Agency (SEICAA) submitted applications for Emergency Shelter Grant funds (ESG), used to prevent homelessness and to help households secure or maintain safe housing. Funds may be used to stop utility disconnection; provide one-night hotel lodging to prevent a household or person from sleeping on the streets; provide first and last month's rent payments and security deposits for new apartments; rental payment for those facing eviction who have no other viable avenues of assistance; HOME funds for financing assistance to new home buyers at 50 percent or less of AMI; Supportive Housing Program (SHP) funds for the Freedom LZ Emergency Shelter, Jefferson House Transitional Housing, and SEICAA Manor for individuals with disabilities as well as reliable transportation, legal costs, and medical expenses for homeless individuals so their own resources can be channeled toward housing needs, as well as emergency shelter for homeless veterans, or those in danger of becoming homeless; and CHDO funds for operating expenses in the Acquisition Housing Program and Housing Counseling throughout southeastern Idaho, including Pocatello.

Aid for Friends submitted its application for Emergency Services Grant funds to operate, maintain and staff their emergency shelter programs. SHP funds will also be requested for the Aid for Friends' Transitional Housing Program which houses clients from all service providers in the community. Other support available to Aid for Friends included CDBG-funded improvements to the Aid for Friends emergency shelter. During this program year, a new roof was installed and the process to replace worn-out flooring was started, providing improvements to assure a safe, decent place for the homeless. CDBG funding was again used to purchase fares on Pocatello Regional Transit so shelter clients could more easily access area support services.

Bannock Youth Foundation applied for Emergency Services Grant funds to help support the Square One Runaway & Homeless Youth Project which provides emergency shelter, counseling and aftercare services to runaway and homeless youth. BYF receives additional funding from United Way of Southeastern Idaho, Federal Runaway & Homeless Youth Act Basic Center Grant, and Idaho Council on Domestic Violence and Victim Assistance.

Family Services Alliance of Southeast Idaho applied for Emergency Services Grant funds to provide support for shelter management and overhead in addition to shelter repairs and maintenance. The shelter provides assistance to victims of domestic violence and families in crisis. They operate a 14-bed emergency domestic violence shelter that over the past year provided services to 88 clients (39 of whom were children). Approximately 625 clients were served at the FSA office or through outreach.

The following table summarizes the consistency reviews performed in early 2011 for local entities applying for IHFA funding to assist local homeless and homeless prevention efforts in PY2011.

Table 3

| ENTITY\FUND TYPE | ESG | SHP | OTHER |
|--------------------------|-----------|------------|------------------------------|
| SEICAA | \$8,000 | \$161,501 | CHDO \$50,000/HOME \$500,000 |
| Aid for Friends | \$38,000 | \$115,817* | |
| Bannock Youth Foundation | \$39,000 | | |
| Family Services Alliance | \$25,486 | | |
| TOTAL | \$110,486 | \$277,318 | |

*75% to AFF; 25% to other agencies.

As part of the American Recovery and Reinvestment Act, SEICAA and Aid for Friends also received Homeless Prevention and Rapid Rehousing (HPRP) funds to assist with homeless prevention and rapid rehousing for those in danger of losing or having just lost their homes. Using its share of funds for Homeless Prevention, as of 3/31/11 SEICAA has spent the entire allocation of \$310,000 assisting 342 households. Note that SEICAA is a seven-county organization, so not all of these funds were spent in Pocatello. Aid for Friends, operating the Rapid Rehousing Program, expended a total of \$167,878, including an initial allocation of \$147,381 with an additional \$20,497 IHFA supplied to meet Aid for Friends' obligations in the program, since it has not been renewed to this point.

Other programs have been established throughout the region to continue addressing homeless prevention efforts and emergency shelter and transitional housing needs so that homeless individuals and families may begin to stabilize within the community. Partnering with other local agencies in supportive housing programs to provide transitional housing to the homeless has been established. PNHS provides housing counseling, neighborhood outreach, and financial counseling, the City has assisted with site clearance, and SEICAA provides referral assistance while Aid for Friends provides emergency shelter and secures housing units for the individuals.

In conjunction with the Idaho 2011 Point-in-Time (PIT) count of unsheltered homeless, the Southeast Idaho Homeless and Housing Coalition, with significant involvement of NCS staff, sponsored warm up kits of hats, socks, gloves, and a snack. These were given to all who attended one of two special meals and participated in the PIT survey, whether or not the participants were unsheltered homeless.

The City of Pocatello continues to cooperate with Partners for Prosperity, a regional nonprofit serving a 16-county area in eastern Idaho and the Shoshone-Bannock Indian Tribes. This organization is dedicated to reducing poverty by creating an environment of working, learning, adapting, and celebrating together with trust, respect, and tolerance. Partners for Prosperity has launched many important strategic initiatives, including an extensive educational campaign on Earned Income Tax Credits each winter and spring, as well as being involved in the Idaho Financial Literacy Coalition.

The City continues to lease to Bannock Youth Foundation (BYF) a CDBG-purchased residential facility known as Square One that houses runaway and homeless youth. BYF continues to operate a 12-bed shelter home known as MK Place that includes drug treatment abilities and Bannock House on West Fremont.

SEICAA's Family Development Program, with current enrollment of 69 families or individuals, addresses goal setting and budgeting that helps lay a path to self-reliance to guard against future homelessness. Other SEICAA community services include distribution of food boxes and hygiene supplies, providing a "Working Closet" for job seekers, providing energy and telephone assistance, and providing weatherization funding, all of which could also be seen as preventive steps.

Again this past October, several community partners (Salvation Army, Aid for Friends, Idaho State University, Health and Welfare, Department of Labor, Family Services Alliance, and SEICAA) hosted a Homeless Stand Down in conjunction with the local POW-MIA Awareness Rally Association. The Stand Down is for homeless veterans as well as other homeless individuals and low-income residents in the community, providing assistance for a multitude of needs ranging from flu shots to haircuts to foot treatment in addition to providing a filling meal, winter coats, sleeping bags, boots, and other winter gear. The Stand Down opens networking opportunities for the attendees it registers each year to ensure they are in contact with those who can help. A total of 158 (including 32 veterans) community members signed in at the 2010 Stand Down. An informal Point in Time survey was conducted during the event. Of the 80 surveys completed, nine (10 percent) were unsheltered homeless, sleeping in the street, abandoned buildings, or cars. This number is consistent with the formal Point in Time count conducted in January 2011. Planning is now underway for the 2011 Stand Down.

In addition to Aid for Friends' 32-bed homeless facility, Aid for Friends manages 11 transitional housing units in Pocatello. As a preventive action against homelessness, Aid for Friends also operates a payee service for 280 clients, including veterans, SSI, and SSDI recipients, who have mental and/or physical disabilities that impair their ability to manage their own funds. The service ensures a client's rent, utilities and other life needs are met with remaining funds distributed to the client in weekly allowances.

Aid for Friends is also the clearinghouse for requests for funding from the Portneuf Valley Interfaith Fellowship. This cooperative funding can be used for urgent needs such as gas vouchers, utility bills, prescriptions, and out-of-town transportation. This partnership eliminates duplicative services among the various churches in the community and the homeless shelter. Aid for Friends ensures that assisted individuals receive assistance no more than every six months.

The City also sees its housing programs as actions to prevent homelessness by creating affordable homes that would be more accessible to this population that would be market-rate housing. Support services from community partners also play an important role in preventing homelessness. Education, budget and foreclosure counseling and many other services, particularly from PNHS, help keep families self-sufficient so they will not lose their homes.

Prevention of low-income individuals and families with children, especially those below 30 percent of median and those who are in poverty, from becoming homeless will continue to be addressed through the City of Pocatello's efforts and those of its nonprofit organizations.

VII. OTHER ACTIONS

In addition to the previously described efforts and the information provided in this report's appendices, the City was also involved in a number of efforts relating to housing, creating a suitable living environment, and promoting economic development for low- and moderate-income households. Some of the City's other actions are outlined in the following subsections.

A. Addressing Obstacles to Underserved Needs. The general economic environment continues to be the largest obstacle to meeting the needs of Pocatello's residents. A lack of adequate employment affects all aspects of a person's life. Contributing to a shortage of adequate employment is the lack of training and education.

- **Unemployment:** Regarding the general unemployment outlook, the Idaho Department of Labor indicates that Idaho's unemployment rate continued to increase from a low of 2 percent in 2007, up to 9.1 percent in April 2010, to December's rate of 9.7 percent, where it has remained stalled through March of 2011. Pocatello's rates are just slightly better with its April 2009 rate of 5.9

percent increasing to 8.3 percent for April 2010, but up to 9.4 percent in March 2011. Last year at this time, it seemed like employment and the economy was improving with slight declines in the unemployment rate. Since then, unemployment increased, then declined slightly in March 2011 to 9.4 percent (with another increase occurring in April).

- Other state economic indicators show possibility for guarded optimism. March was the first month in four years that the increase in total employment was greater than the increase in the labor force, indicating the economy was generating jobs to at least keep up with immediate demand. Per capita income decreased 4.0 percent during 2009, but managed an increase of 2 percent during 2010. Other indicators show slight improvements over the past quarter.

Unfortunately, Pocatello's median income decreased from \$55,600 in 2010 to \$54,700 in 2011 according to HUD's Income Limits Documentation System. This lowered the qualifying limits very slightly (just over 1 percent) for local individuals to obtain HUD-funded housing assistance.

- Another common obstacle to homeownership for Pocatellans is lack of credit worthiness and inability to save for a down payment. Several of the City's partnering organizations offer assistance to rebuild credit history. Limited personal funds also prevent many existing homeowners from keeping their current residences decent, safe, and sanitary. By providing rehab loans, the City and its partners help address this obstacle.
- Another obstacle to addressing underserved needs was the decision by the Idaho Department of Health and Welfare during the previous program year to eliminate the area's regional director position and combine it with one on the west side of the state. This, along with continued budget cuts statewide to the programs and staff who serve the community's most vulnerable citizens, have severely increased underserved needs.
- Another challenge underserved populations face is discrimination in housing. The City of Pocatello proactively promotes fair housing and fair treatment of its citizens in this regard as was described in Section IV. Other obstacles are identified in Section X, Pocatello's Self Evaluation.

B. Fostering and Maintaining Affordable Housing. As described in Section V, many PY2010 activities positively affected affordability for Pocatello's owner-occupied housing.

C. Eliminating Barriers to Affordable Housing. During PY2008, Pocatello answered HUD's "National Call to Action" demonstrating its commitment to affordable housing by designating the CDBG Advisory Committee to review barriers to affordable housing. This issue has become a standing item on each of meeting. During this coming program year, the CDBG Advisory Committee will continue to meet and discuss issues that have been or may yet be identified.

The City removed several regulatory barriers to affordable housing with the adoption of a new Zoning Ordinance in 2008. Lots which previously required land use exceptions can now be used outright as a result of the reduction in required lot sizes and setbacks.

Some of the issues identified regarding underserved needs could also be viewed as barriers to affordable housing. Those include lack of employment and/or training, credit issues, and predatory lending practices. A growing concern of the Homeless and Housing Coalition members for several years has been the seriously negative effect payday loans have upon their individual clients, especially here in Idaho, which has no payday loan regulation. During Idaho's 2011 legislative session, Coalition members approached the Idaho Legislature with these concerns but were informed that the new federal Consumer

Financial Protection Bureau will address this issue. Further efforts may be considered in future years.

D. Developing Pocatello's Institutional Structure/Enhancing Coordination. NCS staff continues to meet at least bi-monthly with subrecipient Pocatello Neighborhood Housing Services to collaborate on items of mutual concern and to what HUD terms "overcome gaps in institutional structures." City staff also serves on three program committees for PNHS which increases coordination efforts between organizations. Staff is in almost daily contact with PNHS's executive director or other staff members, which is an important element in ensuring program compliance. This provides greater communication on projects and discussion of issues related to housing.

Since PNHS's creation in 1994, the City has assisted PNHS housing programs with CDBG funding and technical assistance. PNHS and the City have cooperatively operated housing rehabilitation, emergency housing repair, and home purchase programs in the Central Neighborhood Revitalization Area. The City and PNHS use collaborative efforts and frequent communication to avoid duplication and increase effectiveness. PNHS and the City have also maintained close coordination as they have administered NSPI dollars.

Over the next few months, additional collaborative efforts will be required as the City's new Consolidated Plan is developed. On the financial side, the upcoming Consolidated Plan will be funded in part by the Southeast Idaho Homeless & Housing Coalition and the Housing Authority of the City of Pocatello. On the planning side, multiple entities and agencies will be consulted and asked for input into developing new goals and objectives for community development.

As described at length in Section VI, the City staff continued to serve on the local Homeless and Housing Coalition to coordinate and collaborate on housing and homeless population issues. These quarterly committee meetings are essential in coordinating efforts and addressing obstacles to meeting underserved needs and enhancing efforts to maintain affordable housing.

Cooperation is also enhanced by IHFA's continued coordination and staffing for regional Housing Resources & Information Roundtables held in Idaho Falls and Pocatello. The quarterly meetings are intended to share information and address areas of mutual concern among housing providers. Coordination also takes place through the efforts of the Idaho Healthy Homes Network (facilitated by the Boise HUD Field Office). The forum serves a vital role for communities across the state in coordinating their resources and educating the public in many areas including: lead-based paint, asbestos, mold, and many other health-threatening hazards found in Idaho's housing stock.

The City helped facilitate an interagency agreement between PNHS, SEICAA and Gateway Habitat for Humanity for infill development. In that agreement, SEICAA agreed to provide infill housing for individuals and families below 50 percent median income within Pocatello's city limits. Unfortunately SEICAA has found it difficult to find potential homeowners who meet the criteria and has opted out of the agreement after the houses on two final CDBG-funded lots are completed and occupied.

Neighborhood Involvement. In support of Consolidated Plan Output 4.4.1, City staff continued to provide technical assistance for neighborhood associations. Through the work of PNHS and City staff, support was provided to the five active neighborhood improvement associations. The neighborhood associations assist housing efforts by reporting possibilities for the City-funded revitalization programs, as well as sponsoring neighborhood activities and continued development of neighborhood improvement projects.

Additionally, PNHS's Community and Government Relations Committee coordinates efforts involving neighborhood improvements. With staff from PNHS, Neighborhood and Community Services and the Pocatello Police Department on this committee along with representatives of each neighborhood

association, the committee provides an important collaborative effort between the City and its low- and moderate-area neighborhood residents.

With the help of PNHS, the College and Whittier Neighborhood Associations continue to be involved in a national movement known as Keep Kids Alive Drive 25. This campaign is designed to keep kids (and everyone else) safe by changing the way people drive on neighborhood streets. Extensive publicity and signage blitzes have occurred several times over the past year.

A new project for PNHS is “FLiP” or the Future Leaders inspiring Pocatello. This program solicited submissions on how the teen would use \$1,000 to improve their neighborhood. As a team-building exercise, the selected youth group will design an improvement project. It is hoped that this program will inspire neighborhood teens as role models, encourage their involvement in the community, and build confidence in local youth.

E. Improving Public Housing Improvements/Resident Initiatives. The Housing Authority of the City of Pocatello (HACP) is in good standing with HUD. The new executive director has been working on new initiatives to improve service to the community.

In addition to Section 8 vouchers (\$2,740,495, including administrative and other fees); interest reduction payments (\$48,703) for Maple West and McKinley Manor); and operating dollars (\$94,628) that help benefit affordable housing opportunities for LMI households, HACP has also been awarded non-CDBG capital funding in the amount of \$90,928 for use at Christensen Courts, the City’s only public housing project, for elderly and special needs residents living below poverty level.

To date, the City CDBG program has not provided direct funding for any public housing projects. This year, as in past years, HACP requested a Certification of Consistency review for their federal funding plans. This provides the CDBG Advisory Committee an opportunity to review HACP’s activities and level of service in meeting public housing needs and to express concern about any unmet needs. Additionally, this year, as in the past, the Pocatello City Council meets in work session with HACP to discuss mutual concerns and upcoming projects.

Homeownership opportunities continue to be promoted among Section 8 voucher holders. Timeliness barriers may be discouraging the use of vouchers for home purchase. Holders of Section 8 vouchers who meet credit and income qualifications will continue to be considered as homeownership candidates for CDBG-assisted infill homes as well as private opportunities for homeownership. Their vouchers can be used to reduce monthly mortgage expenses. This year, a low-income individual used a voucher in the purchase of the PNHS infill home at 153 N Grant.

F. Evaluation and Reduction of Lead-Based Paint (LBP) Hazards. The City continued to expend considerable time developing local awareness and respect for the LBP implications of 24 CFR Part 35. The City makes every effort to meet HUD’s Lead-safe Housing Rule. The City’s Property Rehabilitation Specialist utilizes a handheld analyzer to sample lead in paint, dust, and soil.

This year, CDBG funds were used to send a PNHS rehabilitation specialist to Lead Paint Inspector and Lead Risk Assessor training at the Western Regional Lead Training Center in Portland, Oregon. However, this individual no longer works for PNHS, so training for additional individuals may again be needed.

Lead-based paint assessments are an important component of each CDBG- or NSP1-funded rehab inspection for both the City and PNHS. Because the City of Pocatello has some of the oldest housing stock in Idaho, especially within the central neighborhoods, it is imperative that our rehab specialists and

contractor pool be well-educated, trained, and certified in proper lead-based paint handling during renovation projects. To help increase the pool of properly trained and certified contractors, the City sponsored training on the EPA's RRP regulations. Twenty-five individuals became trained as Certified Renovators.

This year issues were identified with the City's lead-based paint program during rehab of NSPI homes, leading to a revision of our procedures. We also found that HUD's Lead-safe Housing Rule, required in our CDBG and NSPI programs, differ considerably from the Environmental Protection Agency's Renovation Repair and Painting requirements. Our program has been updated to meet these requirements.

On April 23, 2010, NCS staff participated in the hugely successful, family-friendly City Environmental Fair. Staff was on hand to provide "Healthy Homes" information to approximately 3,000 attendees, with lead-based paint awareness a central focus.

G. Reduction in the Number of Poverty Level Families. The City undertook no direct actions to reduce poverty during the program year. However, it shares the belief that poverty can be reduced by building prosperity. Consequently, the City of Pocatello continued to collaborate with its nonprofit partners regarding housing and supportive services for the underserved citizens of the community. Pocatello's economic development activities (discussed later in this section) assist in creating jobs within the construction, manufacturing, retail, and service industries. Those jobs were available to the community at large, including those individuals living in poverty, although hiring preferences were not specified.

SEICAA's Family Development Program helps households confront the challenges of poverty while School District #25 facilitates the area's Head Start programs. Cooperative training programs with Idaho State University's College of Technology assist with the area's workforce development.

Pocatello's many affordable housing programs reduce housing costs for its beneficiaries, consequently preserving limited household resources for other expenditures. The Southeast Idaho Homeless and Housing Coalition regularly discusses poverty and ongoing efforts to combat such.

H. Additional Actions. In addition to the activities discussed previously, other actions taken by the City that complement the goals and objectives set forth in the Consolidated Plan include:

- **CDBG-funded staff.** Staff continued to serve on boards, coalitions, committees, etc., of community agencies addressing the housing and public service needs of LMI individuals/families and continued to facilitate the procedures, operations, and responsibilities of the CDBG Advisory Committee which met ten times during the program year.
- **Compliance with program requirements.** City staff maintains regular contact (by e-mail, telephone, and correspondence) with its CPD representative Scott Rich, who is an important resource for answering programmatic questions, and forwarding specialized concerns (LBP, acquisition, etc.) as they arise. Staff also ensures compliance in other areas by consulting as needed with appropriate HUD specialists (e.g., environmental, labor, lead-based paint, fair housing, and relocation). In PY2010, staff attended training presented by HUD staff and sponsored by IHFA covering fair housing, Section 504, Title 4, and Section 3 for CDBG recipients. With the turnover of NCS staff this program year, additional training is planned over the next program year.

- **Support by Bannock Development Corporation & Development Authority of the City of Pocatello.** The City continues to provide \$75,000 in annual general fund support to the Bannock Development Corporation to aid in its efforts to recruit new industry and retain and expand existing business. This program year, the City Planning and Development Services Department Director again was active in recruiting trips to promote the area and was involved in negotiations for the recruitment and establishment of businesses along with efforts to retain and expand existing businesses. The City also provides staff support to the Development Authority of Pocatello as it works toward implementation of the projects within the local Tax Increment Financing districts. There are currently four districts in operation, all of which are meeting or exceeding the economic goals set for them. Other organizations with which the City works on economic development include the Greater Pocatello Chamber of Commerce, Southeast Idaho Council of Governments, Eastern Idaho Development Corporation, and Idaho Economic Development Association.
- **Economic development.** The local economy has struggled in the last year. But, as stated by Samantha Damron, Executive Director of the Eastern Idaho Development Corporation, *“Gauging from increased interest in our loan programs, and the commercial lending activity we’ve observed among local banks, we believe the region’s economy definitely is ticking upward, which bodes well for job creation and economic development.”* Pocatello was included on three different national listings. Forbes.com listed Pocatello as one of the “Best Small Places for Business and Careers” for the sixth year in a row. *Outdoor Life Magazine* listed Pocatello among the “Top 20 Towns for Outdoorsmen.” Finally, Kiplinger.com recommended Pocatello as one of their “10 Great Cities for Raising Families.”

Tax increment financing remains an important funding source for economic development efforts in the City. The City is dedicated to the use of TIF when it fosters job growth, encourages redevelopment, and/or increases property values. The City is also dedicated to closing districts when the projects are completed so that the property returns to the general tax rolls. The largest TIF district, the Central Corridor, was closed this year, adding over \$100 million in valuation to the general fund. During the 2011 session, the Idaho Legislature made changes to the urban renewal law which will reduce its effectiveness as a financing mechanism. Changes included reducing the term of urban renewal plans and restricting amendments to adopted plans.

Within the North Portneuf Urban Renewal Area and Tax Increment Financing District, construction of Hoku Scientific, the polysilicon manufacturing plant that this district was created to support, is close to completion. The company remains on target for its anticipated start-up by the end of 2011 and employment of 200 FTEs. Work on road and rail access continues.

Development within the Naval Ordnance Plant Urban Renewal Area and Tax Increment Financing District has struggled (with Nordic Windpower leaving, Whisper Creek closing, and Peterson relocating to the Airport), but the district is helping solve major infrastructure issues that will hopefully make the facility more competitive.

As with other areas in the country, the economic slowdown has affected Pocatello, although still to a far lesser extent than elsewhere. No large commercial operations have closed over the past program year and some new businesses are in the process of opening or have opened, including Dick’s Sporting Goods and Great Wall Express restaurant, to name two. Overall despite increased unemployment rates (discussed earlier in Section VII-A), the local economy has remained relatively strong and stable.

NCS staff continues to administer programs designed to boost investment in the Old Town Business Improvement District and the Warehouse Historic District. The Façade Improvement Loan Program is available to assist in enhancement of commercial structures; however, no applications were received in this program year. The Building Doctor Program is also an option for owners of historic commercial buildings within the districts. Owners of buildings in need of exterior renovation can secure up to \$500 of private architectural and design assistance. No property owners took advantage of this program during this year.

During the 2008 program year, property was acquired with CDBG funds at the corner of South 1st and East Halliday, within the Warehouse Historic District, for improvement with PY2009 funds as a public parking lot. Improvements to the lot were completed during the summer of 2010, and the lot is used by those working and shopping within the district. The City of Pocatello received an award from the Greater Pocatello Chamber of Commerce Beautification Committee for the improvements, “*in appreciation of your accomplishments in community beautification.*”

- **Construction contracts.** Although not categorized as a job creation activity, the City notes that from April 1, 2010 to March 31, 2011, the City and its subrecipients issued nearly \$850,000 in construction contracts utilizing CDBG and other matching dollars, a 6.25 percent increase over the previous year. Most of the contracts were to local contractors many of whom meet Section 3 and/or M/WBE standards. The economic stimuli produced by this infusion of contract dollars are fairly significant. **Appendix V-A** summarizes the City’s Section 3 CDBG-funded efforts to provide economic opportunities for low- and very low-income persons in the program year.
- **Providing technical assistance.** Two application workshops were held in September of 2010 and individual technical assistance was available to agencies on an ongoing basis throughout the year. Continued outreach was made to potential faith-based organizations. Although no longer a direct subrecipient, the City gives assistance to faith-based Gateway Habitat for Humanity by providing infill housing lots and by allowing salvage rights for reusable materials at sites slated for demolition. Most of these materials are offered for resale in their “ReStore.” Additionally, specific mapping and/or data collection and needs analysis is provided as needed to complement neighborhood and redevelopment planning as well as identified CDBG projects.
- **Enhancement/assessment of public facilities.** During this program year, the City of Pocatello continued administration of energy efficiency for public buildings utilizing Energy Efficiency and Conservation Block Grant Program (EECBG) funds provided by the American Recovery and Revitalization Act (ARRA). The City received a total of \$533,000 and the funds have been used to upgrade street and traffic lighting; conduct workshops, training, and education on energy efficiency measures; and perform and audit of City facilities. The final closeout of this grant is anticipated early in Program Year 2011.

During the program year, major projects on the Custer Street Bridge, Gould Street Overpass, and Benton Street Overpass were completed utilizing stimulus funding obtained through ARRA. Still in the planning stages is refurbishing of the Center Street Underpass with \$150,000 of stimulus funding facilitated by the Bannock Transportation Planning Organization. This deteriorating major east-west connector is in the heart of the City’s Central Neighborhoods and Old Town Pocatello.

A new direction for the City of Pocatello is an emphasis on reduction of resource consumption (such as water, gas, electricity) and recycling wherever possible. The City’s comingled curbside recycling program has been upgraded to include all households; that is, all households are now

charged a very nominal fee (25 cents) but still must opt-in to participate. Only one drop off recycling center remains.

- **Integrated Disbursement & Information System.** NCS staff continues to successfully use IDIS Online for funding and reporting on projects. No major problems have been encountered and the issues that occur are quickly solved by the Technical Assistance Unit. NCS and Finance Staff believes that any minor issues that remain will be resolved with the 2012 program year when activities will be closed annually. In addition, NCS and City accounting staff worked together to create a system for tracking and balancing all CDBG expenditures between IDIS and the City's financial system.
- **Housing quantity.** Production of housing by the private sector continued to be sluggish over the past year. Real estate sales, including sales of the new infill houses constructed by the City's housing partners or rehabbed through NSP1, has been slow with two of the homes having been on the market for a lengthy period.

VIII. LEVERAGING RESOURCES

In conjunction with its subrecipients, the City was able to directly leverage approximately \$800,427 of direct non-CDBG funding during the past program year against the \$543,159 of CDBG assistance for PY2010. The activity breakdown of that leveraging is shown in Appendix II. As this chart indicates, PNHS is one of Pocatello's most "leveraging" subrecipients and in this program year has obtained the following public and private resources that address the needs identified in the City's Consolidated Plan:

- Utilization of \$135,275 in matching funds for rehab projects;
- Matching funds totaling \$127,551 for its infill program, including funding from Neighborhood Reinvestment, HOME, and other private money;
- Matching funds of \$131,344 remained available of the \$150,000 original amount Housing Authority of the City of Pocatello had available for the rental housing rehabilitation program.

Pocatello also generates significant economic development funding through its tax increment financing. Since those dollars are not considered direct leveraging on any current CDBG projects, details are not listed here but are available on request.

Additionally, Pocatello's partnering housing agencies also secure significant federal funding via the Idaho Housing & Finance Association. Their applications for those resources are summarized in Section VI Table 3.

IX. CITIZEN COMMENTS/PUBLIC PARTICIPATION

Program Year 2010's Action Plan required two major reallocation amendments, with the second occurring simultaneously with this report's creation and submission. All amendments followed the City's Citizen Participation Plan with public comment periods concluding at the December 18, 2010, and June 16, 2011, City Council meetings. (The second amendment is being sent under separate cover.) Notice of this Consolidated Annual Performance and Evaluation Report was published in the Idaho State Journal on May 2, 2011, and the draft report was available for public review from June 1 to June 16, 2011. No comments were received, either in writing in the fifteen days preceding or in oral form during the Council's public hearing on June 16, 2011.

X. SELF-EVALUATION

The overall goal of the City's community planning and development programs is to provide enhanced livability and viability for the community via the provision of decent housing and a suitable living environment, principally for low- and moderate-income persons. To that end, the City has developed indicators to measure its progress. Table 4 in Section XII Performance Measures, illustrates Pocatello's progress in meeting its goals and objectives. This table along with the Tables 1 and 2 illustrate that, for the most part, Pocatello's activities and strategies are having an impact on identified needs.

Pocatello continues to rely on surveys as a cost-efficient way to gauge community needs and to evaluate its progress toward meeting those needs. Data is used to evaluate and plan for project needs in each of PNHS's "lines of business" which include: 1) Strengthening neighborhood image; 2) Creating healthy neighborhood real estate markets; 3) Transforming neighborhood physical conditions; 4) Building neighborhood management; and 5) Producing and managing affordable housing. The City has also utilized the survey results to refine and develop neighborhood improvement projects, such as the Bremmer Park project.

Survey work to be done as part of the consolidated planning process will help define the City's future CDBG work. The opinions of residents remain essential as Pocatello evaluates its past and future goals and objectives, and the community's concern with the affordable housing is highly evident. Rehabilitation and/or replacement of poor quality and unsightly or unsafe units continue to be the focus of Pocatello's 2007-2012 Consolidated Plan and CDBG spending and are likely to remain so in the next Consolidated Plan.

Based on information from public input and its analysis of performance measures, the City feels its CDBG-funded programs are having a positive impact on the need for decent affordable housing though resources are limited. With the ability to affect only 30-35 housing units each year out of the estimated 8,000 that exist in the City's Central Neighborhoods, the need is always present. As one area improves, others may decline. And as housing stock continues to age in the non-central neighborhood areas of the City, those neighborhoods can see problems arise. To help mitigate this problem, LMI owners in non-LMI areas are also eligible for rehab assistance.

The City's continuing emphasis on economic development has helped raise the standard of living for all community members. An indicator of this has been Pocatello's change over time of neighborhoods from LMI to above-LMI status. It is anticipated that with the 2010 Census and American Community Survey figures, Pocatello will see changes in the central neighborhood areas, showing where changes may be necessary to target the correct neighborhoods.

In combination with HQS and emergency rehab assistance available through the City and Pocatello Neighborhood Housing Services, when funding allows, vacant, unoccupiable housing units are acquired and cleared for new housing creation. Owners with substandard, secondary structures are also offered demolition assistance in an effort to enhance their immediate and the entire neighborhood's living environment. This strategy focuses on exterior indicators.

One barrier to fulfilling Pocatello's strategies for affordable housing is the lack of other funding resources. As an example, IHFA takes a significant role in support of new infill housing, but does not dedicate resources to rehabilitation of older, single-family homes.

Another potential obstacle to the future of both City and PNHS housing rehab efforts is the shortage of individuals trained to handle specialized environmental problems. There is presently only one certified Lead Based Paint Abatement Supervisor in the local contractor base. While the renovator training helped,

because of the different requirements between EPA-RRP and HUD's Lead Safe Housing Rule and for projects over \$25,000, competitive bidding is becoming almost nonexistent. Similarly, for asbestos testing and removal on CDBG-funded projects there are only two contractors who are responding to bidding opportunities.

Despite such obstacles, grant disbursements for both the City and its subrecipients continue to be timely. Sixty days before Pocatello's grant year-end, its timeliness ratio was 0.81, well below HUD's 1.5 standard. Actual expenditures do not differ substantially from the original allocations without following the amendment processes outlined in the City's Citizen Participation Plan.

Several indicators confirm that Pocatello has met or exceeded its goals in nearly every respect. All major housing goals are on target. The City's rehab program was slower this year (with only eight rehabs where 12 were projected), after having higher production in Program Year 2009. This is likely due to the general economic climate, which has been worse this year in Pocatello. Also, although no one applied, the parameters for the rehab program remained available for accessibility projects. Despite the lower numbers, Pocatello is optimistic about its rehab program although we continue to closely watch service delivery costs.

As reported previously and shown on Tables 1 and 2, with 80 percent of its Consolidated Plan time frame expired, Pocatello is largely on track with its rehab efforts (78 percent of the five-year goal accomplished). For housing creation, 35 units, or 116 percent of the five-year goal, have been created.

Pocatello remains open to adjusting and improving its strategies and activities to address newly identified needs, shifting timelines, and spending patterns. For instance, this year major amendments have occurred to this and past year's Action Plans in order to adjust for stimulus funding and changing community needs.

As mentioned in Section V, partially due to the advent of NSP1 funding, the City will be suspending its Rescue Restore Resell Program once a slow-moving rehab at 235 W Carson is completed. This project, begun in May of 2008, is a cooperative program between PNHS and the Bannock County Juvenile Justice Program. Juvenile offenders who are assigned to Bannock County's "Constructing the Future" program are performing the needed rehabilitation on the home, for later sale to an LMI household.

The City also is on track for achieving its major nonhousing goals and objectives. Two slow-moving projects, the Bremmer Park playground improvements and the Warehouse Historic District Parking Lot improvements, are now complete. The remaining blighted structure within the Triangle redevelopment area has been purchased, demolished, and the property resold. Funds for the relocation of the rental tenant remain set aside, but these should be expended within the 2011 program year. No CDBG-funded sidewalk or ADA-corner installations were completed, but work is moving ahead on the large sidewalk project to be completed in conjunction with Habitat infill, completing that slow-moving project this summer.

Lower priority goals and objectives of the 2007-2012 Consolidated Plan received some attention this program year, largely through collaborative work with other City departments. Input is provided as needed on policy changes that may promote affordable housing development (Output 1.6.2), public works projects (Output 4.2.1 and 4.2.2), coordination of CDBG funding with long-term City goals (Objective 4.6), use of alternative funding sources (Objective 5.2), and promotion of historic commercial structures (Objective 5.4).

In evaluating the overall CDBG program, the City does not see areas of major concern or significant barriers to accomplishing Comprehensive Plan goals. The Mayor and Council continue to support housing, neighborhood revitalization, and economic development priorities in spending CDBG dollars.

XI. MONITORING OF CDBG-FUNDED PROGRAMS

During the summer of 2010, Scott Rich, of the HUD's Portland Office of Community Planning & Development, came to Pocatello to monitor the City's CDBG performance. One of the recommendations from that visit was that the City conduct at least one on-site monitoring visit each year. A policy for risk identification and monitoring procedures has been developed. Beginning with Program Year 2011, that requirement will be met. However, though Pocatello directly expends the vast majority of its CDBG dollars, NCS staff desk monitors and resolves any compliance or performance issues of its subrecipients on a continual basis to ensure HUD's requirements are met and that the City's CDBG funding is not jeopardized. Significant desktop monitoring occurs with each fund draw request and CDBG contracts are reviewed annually and revised as needed to ensure more effective management of the programs.

Primarily due to the administrative distraction of NSPI, the low-risk status of current subrecipients, and two major staff changes this program year, no formal on-site monitoring visits were completed in PY2010. PNHS, the subrecipient that receives the largest percentage of CDBG funds other than the City, has received no more than 10 percent per year over the past several years. Also, PNHS has not experienced turnover in key administrative personnel or any changes in managements systems that might have triggered a formal monitoring.

As Pocatello's most productive subrecipient, Pocatello Neighborhood Housing Services continues to do very well toward the achievement of their housing rehabilitation goals and all 14 required LMI-rehab projects were completed this program year. For program year 14, PNHS completed construction of all seven of the planned infill houses; however, at year end, only one was closed and occupied. At the time of submission of this report, another ___ had sold and occupied, ___ were under contract, leaving only ___ of the original seven unsold. This is almost certainly due to the local economic conditions and very slow housing market. The City has no concerns with the performance of PNHS in this regard. However, continued desktop monitoring will ensure that the programs remain effective and PNHS's goals remain sustainable.

PNHS was pleased to receive a rating of "strong" from NeighborWorks® America, improving from their last rating of satisfactory. A recent survey of 50 Pocatello Realtors® presents generally positive information about PNHS and the impact of its programs on its central neighborhoods. The City is pleased to know that its main subrecipient is working so diligently to serve and improve the community.

Thresholds established by the City Council remain in effect and, if not achieved for any subrecipient, future funding could be endangered. Performance measures are in place and regular progress reporting is required of all subrecipients.

In summary, no subrecipient activities or strategies are falling behind schedule. Their grant disbursements are timely and their actual expenditures do not differ from their contracted obligations.

XII. PERFORMANCE MEASURES

The IDIS reports accompanying this report (particularly PR83/Appendix III-F) and Tables 1 and 2 in Section III illustrate Pocatello's performance. Table 4 below identifies Pocatello's performance measures and is similar to the table submitted with the PY2011 Action Plan. Developed in response to an "Area for

Future Improvement” from the 2007 CAPER review, Appendix I includes the summary tables recommended by HUD.

Table 4

| CATEGORY/GOALS | ACTIVITY | OBJECTIVE | OUTPUT | OUTCOME |
|--|--|--|---|--------------------------------------|
| ECONOMIC DEVELOPMENT Goal 4: Continue commercial and residential revitalization efforts in central neighborhoods. Goal 5: Continue to support and implement economic development activities that eliminate blight, promote private investment, and expand economic opportunities for low and moderate income persons. | Central Corridor Commercial Acquisition | Promote economic opportunity through new/improved availability or accessibility | One parcel was acquired for this program year | Availability/Accessibility |
| | Central Corridor Commercial Demolition | Promote economic opportunity through new/improved availability or accessibility | One parcel was cleared this program year | Sustainability |
| | Central Corridor Commercial Relocation | Promote economic opportunity through new/improved availability or accessibility | Moving expenses were paid. Relocation assistance is pending for the occupant of acquired property this program year. Improvements to the Warehouse District public parking lot were completed this program year. | Sustainability Sustainability |
| HOUSING & NEIGHBORHOOD REVITALIZATION Goal 1: Maintain an adequate supply of permanent, affordable housing of adequate quality and safety for low/moderate income occupants. Goal 4: Continue commercial and residential revitalization efforts in central neighborhoods. | RENEWAL Emergency/HQS Housing Rehabilitation | Create decent housing with new or improved sustainability | Completed 1 HQS & 7 emergency rehabilitation projects | Sustainability |
| | Acquisition | Create decent housing with new or improved affordability | Acquired 4 sites for creation of 10 affordable housing units to be sold to LMI homeowners | Availability/Accessibility |
| | Demolition | Enhance suitable living environment through new or improved sustainability | Cleared 5 sites in preparation for infill development | Sustainability |
| | Down and Closing | Create decent housing with new/improved affordability | Assisted 1 household with direct funding for home purchase | Affordability |
| | PNHS Infill and Service Delivery | Create decent housing with new or improved affordability | Assisted LMI household with newly created housing | Sustainability |
| | PNHS Owner Occupied Housing Rehabilitation | Create decent housing with new or improved sustainability | Completed 14 housing rehabilitation projects | Sustainability |
| PUBLIC FACILITIES Goal 4: Continue commercial and residential revitalization efforts in central neighborhoods. Goal 2: Assist special-needs populations with housing and social service needs. Goal 3: Reduce Homelessness. | Sidewalk Project Improvements and Service Delivery | Enhance suitable living environment through new or improved availability/accessibility | No sidewalk projects were completed. The planned neighborhood area will be completed in PY2011. | Availability/Accessibility |
| | Aid For Friends Emergency Night Shelter Improvements | Enhance suitable living environment through new or improved sustainability | Replaced the roof of the shelter. Replacement of flooring in the men’s area will take place in PY2011. | Sustainability |
| PUBLIC SERVICE Goal 2: Assist special-needs populations with housing and social service needs. | Continue to work with homeless/housing providers and respond to requests for assistance as appropriate. | Enhance suitable living environment through new or improved sustainability | CDBG funds were used to purchase 1,090 fares on Pocatello Regional Transit to allow 69 Aid for Friends shelter clients to more easily access support services. | Availability/Accessibility |

XIII. SUPPLEMENTAL NARRATIVE FOR CDBG GRANTEES

The previous pages covered the issues identified specifically for CDBG grantees, with the following exceptions and assurances:

- Economic development activities occur throughout the community without the direct spending of CDBG dollars. The City's Consolidated Plan references these issues.
- The City of Pocatello pursued all resources previously indicated (see Appendix II and Section VIII of the full narrative report). It provided certifications of consistency for HUD programs (when requested) in a fair and impartial manner. The City did not hinder Consolidated Plan implementation either by action or willful inaction.
- Pocatello's funds were used exclusively in meeting the three HUD national objectives which are:
 - Benefiting low- and moderate-income persons
 - Preventing or eliminating slums or blight
 - Urgent need that threatens the community
- While the City has programs involving acquisition, rehabilitation, and/or demolition, it does not pursue involuntary displacements. Consequently, the current programs primarily assist owners of property that is vacant and unoccupied.
- No CDBG-funded economic development activities involving job creation were undertaken in this program year. Therefore additional narrative is unnecessary.
- Any limited clientele served during this program year fell into the HUD defined categories.
- Program income is reported in IDIS. Generally, all program income is reutilized for its original purpose. An exception was approved on 12/16/10 reassigning the program income from PNHS's down payment and closing assistance activity to its rehab activity. The down payment and closing cost assistance program will no longer be funded with CDBG monies. The following are approximate year-end portfolio balances and PY2010 revenue for each activity with program income:

Table 5

| CITY OF POCATELLO | | | |
|--|-------------------------|--|--|
| CDBG PROGRAM PORTFOLIO AND PROGRAM INCOME SUMMARY | | | |
| Entity | Activity | Year End Portfolio Balance | Program Year Income for 2010/2011 |
| City | Rehab | \$473,064 (\$178,649 payable & \$294,415 deferred) | \$37,175 |
| | Acquisition | \$526,031 (deferred) \$313,038 (pending development) | \$37,010 |
| | Demolition | \$1,400 (deferred) | \$0 |
| | Down/Closing | \$127,703 (deferred) | \$6,000 |
| | Other (Sidewalks, LIFE) | \$14,454 (deferred) | \$1,595 |
| | City Totals | \$1,455,690 | \$81,780 |
| PNHS | Rehab | \$202,875 (\$70,099 payable & \$132,776 deferred) | \$15,239 |
| | Down & Closing | \$28,021 (\$7,310 payable & \$20,711 deferred) | \$2,201 |
| | PNHS Totals | \$230,896 | \$33,079 |
| GRAND TOTAL | | \$1,686,586 | \$99,220 |

- Details of all portfolios are available to HUD upon request.
- Regarding rehabilitation, IDIS Reports provide the narrative for number of units completed during the year.
- The City of Pocatello is not a federally designated EZ or EC nor has it sought to become a neighborhood revitalization strategy area.