The grantee must submit an updated Financial Summary Report (PR26).

**GENERAL**

**Executive Summary**

This module is optional but encouraged. If you choose to complete it, provide a brief overview that includes major initiatives and highlights that were proposed and executed throughout the first year.

Program Year 2 CAPER Executive Summary response:

In order to address the housing and community development needs of the City of Las Cruces, the City utilizes two federal entitlements, Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME), from the U.S. Department of Housing and Urban Development (HUD). As part of the application and receipt process for these funds, the City must produce a Consolidated Plan, a five-year strategic plan of the community’s current needs and specific actions for addressing these needs. At the close of each program year, June 30, the City must also complete a Consolidated Annual Performance and Evaluation Report (CAPER) designed to summarize and communicate those activities and accomplishments undertaken by the City and our partners to meet the goals and strategies set out in the Consolidated Plan. Program Year 2012 (PY 2012) represented the City’s second year of the 2011-2015 Consolidated Plan.

In PY 2012, for the CDBG and HOME entitlement funds, the City received $745,651 and $320,014, respectively. Program Income for CDBG received was $67,504.32 (which is below the estimated amount of $101,000.00). HOME Program Income received was $61,191.45 (which is above the estimated amount of $40,000.00). The final dollar amounts for the two programs, including Program Income equaled $813,155.32 for CDBG and $381,205.45 for HOME. For CDBG this represents a 17% decrease from 2011 (down from $976,482.47). For HOME, this represents a decrease of 28% for HOME over 2011, (down from $532,824.64). Both decreases to CDBG and HOME, respectfully, are attributable to reductions in the amount of federal funding awarded and for the CDBG the reduced amount of program income collected.

The City was a sub-recipient to the State of New Mexico for Neighborhood Stabilization Program 1 (NSP1) funds. The City was allocated $1,500,000 in the program year (PY2009). Of the remaining funds at the beginning of PY2012 ($52,375.49), none was spent during the program year. At the end of PY2011 Tierra del Sol sold one home previously developed home and during PY2012 they sold two more, providing the City with $204,574.97 in Program Income. This has allowed the City to purchase one additional home, which is being rehabilitated now, and will be...
used as a rental, by Mesilla Valley Community of Hope, for disabled women. It is anticipated that two more homes, available for sale through Tierra del Sol, to qualified home owners, that the remaining funds and program income received in PY2013 will allow the City to purchase, rehab, and utilize one additional home.

The City of Las Cruces continued implementation of its Supportive Housing Program Shelter Plus Care (S+C) Grants, Community Housing Connection I, which began in City FY2004/05 (Program Year 2004) in which rental assistance was provided to homeless individuals with disabilities. For Program Year 2012, the amount of rental assistance provided to tenants was $95,156.64.

The City of Las Cruces continued implementation of its Shelter Plus Care (S+C) Grant, Community Housing Connection II, which started in City FY2009/10 (Program Year 2009) in which rental assistance was provided to homeless individuals with disabilities. For Program Year 2012, the amount of rental assistance was $58,920.59.

The City of Las Cruces transferred implementation of its Supportive Housing – Transitional Housing Grant, to Mesilla Valley Community of Hope. The activities undertaken by the City with the CDBG and HOME federal dollars address six goals identified in the 2011-2015 Consolidated Plan. Information on the use of CDBG Section 108/BEDI funds are outlined in Exhibit 2011-1c. The specific goals are:

Goal #1: Increase the supply of affordable housing units for low- to moderate-income buyers.
Goal #2: Increase affordability of rental housing for the City’s lowest income renters.
Goal #3: Preserve existing affordable housing stock.
Goal #4: Assist special needs populations with social service and housing needs, including needed improvements to public facilities.
Goal #5: Implement the City’s 2011 Fair Housing Action Plan.
Goal #6: Improve public infrastructure, economic and housing conditions in low-income, economically-challenged and deteriorating neighborhoods.

All activities undertaken in Program Year 2012, excluding those activities contemplated and funded in prior program years, yet completed in this program year, were within the six goals identified above.

**General Questions**

1. **Assessment of the one-year goals and objectives:**
   a. Describe the accomplishments in attaining the goals and objectives for the reporting period.
   b. Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.
   c. If applicable, explain why progress was not made towards meeting the goals and objectives.

2. Describe the manner in which the recipient would change its program as a result of its experiences.

3. **Affirmatively Furthering Fair Housing:**
   a. Provide a summary of impediments to fair housing choice.
b. Identify actions taken to overcome effects of impediments identified.

4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

5. Leveraging Resources
   c. Identify progress in obtaining “other” public and private resources to address needs.
   d. How Federal resources from HUD leveraged other public and private resources.
   e. How matching requirements were satisfied.

1.a. Program Year 2012 (PY or PY2012) saw a great deal of closings for projects implemented in prior years along with developing projects funded using PY 2011 funds. As is usually the case, most projects undertaken with the most current year’s funding (PY 2012) tend to see little progress, unless such projects are the continuation of previously identified or funded projects. Most of PY 2012 was spent addressing the following issues under each program and Consolidated Plan Goal:

Goal #1: Increase the supply of affordable housing units for low- to moderate-income buyers.

   Funds Used: HOME
   Activities: The City’s HOME Program saw the completion of 9 owner-occupied single-family units by Habitat for Humanity and Tierra Del Sol Housing Corporation. 4 of the homes were completed in Tierra Del Sol’s Paseo Del Oro Subdivision with 3 of those units receiving funds for down payment assistance only and the 4th receiving acquisition and new construction expense assistance. 1 unit completed by Tierra Del Sol was constructed on a City infill lot on Alamo Street. Tierra Del Sol constructed two additional homes on the east mesa with Mesilla Valley Habitat for Humanity also completed two new units in the Sierra Norte Subdivision. No additional of five total three have been sold to new owners and two

Goal #2: Increase affordability of rental housing for the City’s lowest income renters.

   Funds used: HOME, Supportive Housing programs (Shelter Plus Care), and Neighborhood Stabilization Program (NSP)
   Activities: HOME funds are currently being used for a Tenant Based Rental Assistance (TBRA) program to assist up to 14 homeless and near-homeless households who are also victims of domestic violence through La Casa Inc. The funding provides rent subsidy, security deposits, and supportive services. Continued and on-going rental assistance to 15 households during the program year and required supportive services for disabled, homeless persons under the Supportive Housing Program, Shelter Plus Care (S+C) program, Community Housing Connection I. Also a second S+C grant program, Community Housing Connection II, continues provides rental assistance and supportive services to 10 additional homeless, disabled households throughout the program year.

Goal #3: Preserve existing affordable housing stock.

   Funds Used: CDBG
   Activities: Completion of Three (3) home rehabilitation projects of owner-occupied housing, two (2) that were processed and started in PY2011, one was processed in PY2011 and started in PY2012. Two of the projects included the applicable lead based paint testing and abatement as they were built prior to 1978. These three (3) completed projects totaled an expenditure of approximately
$163,082.17, using funds from Program Year 2010-2011 along with Program Year 2012 funds for program staffing and operating expenses.

Staff spent a large amount of time processing ten (10) potential applicants for the Home Rehabilitation Program of which one (1) was awarded a rehabilitation loan and grant and is currently under construction, seven (7) were disqualified due to numerous ineligibility factors, one (1) was found to be income ineligible, one (1) was nonresponsive.

Staff processed ten (10) applicants for the Mobile Home Ramp Program during the 2012 Program Year, of which six (6) ramps went out to construction and were completed. The six completed ramps totaled an expenditure of approximately $27,051.33. The other four (4) applicants withdrew or were disqualified due to various ineligibility factors.

Staff also processed twentyfive (25) applicants for the Mobile Home Utility Upgrade Program, of which twenty (20) were qualified and may be provided grants in PY2013, to upgrade their gas systems and/or gas appliances. Of the other six (6), two (2) withdrew and the other four (4) were found to be income ineligible.

CDBG funds in the amount of $40,000.00 from PY 2011 were used to complete 5 roof replacements for income eligible seniors during PY 2012 through Tierra Del Sol’s Low-Income Senior Roof Repair/Replacement Program.

**Goal #4:** Assist special needs populations with social services and housing needs, including needed improvements to public facilities.

- **Funds used:** CDBG (Public Services), Supportive Housing Program, Shelter Plus Care, Transitional Housing and HOME TBRA.
- **Activities:** PY2012 CDBG Public Services funds were allocated to local homeless services and prevention providers, domestic violence victims' assistance, court-ordered advocacy for abused and neglected children, and nutrition program for low income children and seniors. See Summary of HOME TBRA and Supportive Housing Programs (Shelter Plus Care) under Goal B. above. CDBG Public Facilities funds from PY2012 were allocated to MVCH on behalf of St. Lukes Health Care Clinic for upgrade of the HVAC system. This project is expected to be completed in PY 2013.

**Goal #5:** Implement the City’s 2012 Fair Housing Action Plan.

- **Funds Used:** CDBG
- **Activities:** Training of all new City employees was continued in PY2012. City staff completed Fair Housing research based on comments from HUD and staff. Also completed proposed Fair Housing Ordinance amendments. The amended Fair Housing Ordinance is anticipated to receive City Council action in PY 2013. The CDBG program staff dedicated 9.27% of their time to fair housing activities, generally for citizen inquiry and referral purposes, in the program year.

**Goal #6:** Improve public infrastructure, economic and housing conditions in low income, economically-challenged and deteriorating neighborhoods.

- **Funds used:** CDBG
- **Activities:** Construction was completed using PY2011 funds for Phase I of the Midway Ave. reconstruction project on the City’s east mesa. The new Museum of Nature and Science, which is being funded by a $2,000,000 Brownfield Economic Development Initiative (BEDI) grant and a $2,000,000 Sec 108 loan, as well as a
ARRA grant from DOE, finished construction during PY2012 and is now open for business. The City of Las Cruces completed the Jefferson Davis Road Reconstruction project by reimbursing all landowners for the land that they dedicated to the City for the Right of Way on this project.

1.b. See Exhibits 20121-1a and 1b. and 2012-2 immediately below.

### Exhibit 2012-1a: Use of CDBG, HOME, & Neighborhood Stabilization Funds

<table>
<thead>
<tr>
<th></th>
<th>CDBG *</th>
<th>HOME **</th>
<th>NEIGHBORHOOD STABILIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Funds Available (2012 entitlement amount, plus program income collected in 2012,)</td>
<td>$5,144,119.90</td>
<td>$10,072,638.19</td>
<td>$1,704,574.62</td>
</tr>
<tr>
<td>Total Funds Committed through 2012, including previous years activities undertaken in prior years</td>
<td>$5,114,119.90</td>
<td>$8,562,532.11</td>
<td>$1,616,330.95</td>
</tr>
<tr>
<td>Percent Funds Committed</td>
<td>100%</td>
<td>85%</td>
<td>95%</td>
</tr>
<tr>
<td>Total Funds Expended through 2012, including previous years activities #</td>
<td>$721,734.62</td>
<td>$9,396,289.55</td>
<td>$1,616,330.95</td>
</tr>
<tr>
<td>Percent Funds Expended (a decrease of 10% from PY 2011 of 24%)</td>
<td>14%</td>
<td>90.3%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Geographic Distribution & Location of Expenditures – All Activities were conducted in the City of Las Cruces and locations are identified within project narratives.

* CDBG information derived from the PR26 & PR06 Report attached to this CAPER.
** HOME information derived from the PR27 Report included in this CAPER.
# Includes HOME Administration, CDBG Administration, and CHDO Operating funds, in addition to specific project funds.
### Exhibit 2012-1b: Use of Shelter Plus Care & Transitional Housing Funds

#### SHELTER PLUS CARE (Community Housing Connection I)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Funds Available (PY2012) – grant 1-year renewal periods</td>
<td>$96,804.00</td>
</tr>
<tr>
<td>Total Funds Expended in 2012</td>
<td>$96,156.64</td>
</tr>
<tr>
<td>Percent Funds Expended</td>
<td>99.33%</td>
</tr>
<tr>
<td>Total Funds Unexpended at the end of the Grant period (PY2012)</td>
<td>$647.36</td>
</tr>
<tr>
<td>Percent of Funds Unexpended at the end of the Grant period (PY2012)</td>
<td>.01%</td>
</tr>
</tbody>
</table>

#### SHELTER PLUS CARE (Community Housing Connection II)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Funds Available (2009 to 2013)</td>
<td>$330,720.00</td>
</tr>
<tr>
<td>Total Funds Committed through 2012</td>
<td>$330,720.00</td>
</tr>
<tr>
<td>Percent Funds Committed</td>
<td>100%</td>
</tr>
<tr>
<td>Total Funds Expended in 2012</td>
<td>$58,895.59</td>
</tr>
<tr>
<td>Total Funds Expended through 2012</td>
<td>$188,747.27</td>
</tr>
<tr>
<td>Percent Funds Expended in 2012 only</td>
<td>17.80%</td>
</tr>
<tr>
<td>Percent Funds Expended – total Grant period</td>
<td>57.07%</td>
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<tr>
<td>Total Funds Unexpended at the end of the program year</td>
<td>$141,973.00</td>
</tr>
<tr>
<td>Percent of Funds Unexpended at the end of the program year</td>
<td>42.92%</td>
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</table>

#### SUPPORTIVE HOUSING-Transitional Housing

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Funds Available (2009-2012)</td>
<td>$311,353.00</td>
</tr>
<tr>
<td>Total funds Committed through 2012</td>
<td>$311,353.00</td>
</tr>
<tr>
<td>Percent Funds Committed</td>
<td>100%</td>
</tr>
<tr>
<td>Total Funds Expended in 2012</td>
<td>$57,735.00</td>
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<tr>
<td>Total Funds Expended through 2012</td>
<td>$280,092.00</td>
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<tr>
<td>Percent Funds Expended in 2012 only</td>
<td>18.54%</td>
</tr>
<tr>
<td>Percent Funds Expended</td>
<td>89.95%</td>
</tr>
<tr>
<td>Total Funds Unexpended at the end of the Grant period</td>
<td>$31,261.00</td>
</tr>
<tr>
<td>Percent of Funds Unexpended at the end of the Grant period</td>
<td>10.04%</td>
</tr>
</tbody>
</table>
Geographic Distribution & Location of Expenditures – All Activities were conducted either in the City of Las Cruces and the extra-territorial jurisdiction of Las Cruces, and locations are identified within project narratives.

**Exhibit 2012-1c: Section 108 Loan & Other grant reporting** *

<table>
<thead>
<tr>
<th>Section 108 Loan – Museum of Nature &amp; Science</th>
<th>Funds Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of loan</td>
<td>$2,000,000.00</td>
</tr>
<tr>
<td>Total amount of loan available to commit at beginning of program year</td>
<td>$671,744.83</td>
</tr>
<tr>
<td>Total funds expended in 2012</td>
<td>$591,645.43</td>
</tr>
<tr>
<td>Remaining funds from loan</td>
<td>$80,099.40</td>
</tr>
</tbody>
</table>

**Loan Repayment**

- Repaid within Program Year (Total – principal only)# | $63,000.00
- By Source: CDBG (PY2012 and prior only) | $0.00
- By Source: City General Fund (PY2012 and forward only) | $63,000.00

**BEDI Grant**

- Total Funds Available | $2,000,000.00
- Total Funds Committed through 2012 | $2,000,000.00
- Percent Funds Committed | 100%
- Total Funds Expended in 2012 | $1,395,416.35
- Total Funds Expended through 2012 | $1,883,386.43
- Percent Funds Expended in 2012 only | 69.8%
- Percent Funds Expended – total Grant period | 94.20%
- Total Funds Unexpended at the end of the program year | $116,613.57
- Percent of Funds Unexpended at the end of the program year | 5.8%

* This is an addendum to the original submission, as requested by HUD and will appear in all future CAPER’s until the full loan is repaid and the BEDI grant is completed. All subsequent pages have been renumbered.

# Includes the principal amount only (no interest). Through Program Year 2011, CDBG funds were used for both principal and interest payments. Starting in PY2012, the
City’s General Fund will be making the principal and interest payments. For PY2011, a portion of the interest was paid by both CDBG and City General funds.
<table>
<thead>
<tr>
<th>GOAL #</th>
<th>GOAL TOPIC:</th>
<th>YEAR OF FUNDS#</th>
<th>Total Expenditures by Goal from Year’s Funds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Increase supply of affordable housing for LI buyers</td>
<td>2012</td>
<td>$37,465.33</td>
<td>$28,609.13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2011</td>
<td>$0.00</td>
<td>$70,933.54</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2010</td>
<td>$0.00</td>
<td>$91,342.84</td>
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<tr>
<td></td>
<td>Goal Grand Total</td>
<td></td>
<td>$37,465.33</td>
<td>$190,885.51</td>
</tr>
<tr>
<td>2</td>
<td>Increase supply of affordable housing for LI renters</td>
<td>N/A</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Goal Grand Total</td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>3</td>
<td>Preserve affordable housing stock</td>
<td>2012</td>
<td>$59,557.06</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2011</td>
<td>$163,237.33</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Goal Grand Total</td>
<td></td>
<td>$222,794.39</td>
<td>$0.00</td>
</tr>
<tr>
<td>4</td>
<td>Assist Special Needs Populations</td>
<td>2012</td>
<td>$39,262.26</td>
<td>$13,174.01</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2011</td>
<td>$108,743.64</td>
<td>$12,228.51</td>
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<tr>
<td></td>
<td></td>
<td>2010</td>
<td>$0.00</td>
<td>$16,453.78</td>
</tr>
<tr>
<td></td>
<td>Goal Grand Total</td>
<td></td>
<td>$148,005.90</td>
<td>$41,856.30</td>
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<tr>
<td>5</td>
<td>Implement Fair Housing Plan</td>
<td>2012</td>
<td>$2,834.31</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Goal Grand Total</td>
<td></td>
<td>$2,834.31</td>
<td>$0.00</td>
</tr>
<tr>
<td>6</td>
<td>Improve neighborhoods</td>
<td>2011</td>
<td>$30,866.27</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>Goal Grand Total</td>
<td></td>
<td>$30,866.27</td>
<td>$0.00</td>
</tr>
<tr>
<td>OTHER</td>
<td>Administration &amp; CHDO Operating</td>
<td>2012</td>
<td>$85,183.19</td>
<td>$48,001.40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2011</td>
<td>$236,137.61</td>
<td>$882.64</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td></td>
<td>$321,320.80</td>
<td>$48,884.04</td>
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<tr>
<td></td>
<td>Yearly Totals By Program,</td>
<td>2012</td>
<td>$224,302.15</td>
<td>$89,784.54</td>
</tr>
</tbody>
</table>

Exhibit 2012-2: Expenditure of Funds by Goal, by Year of Funds expended.
* Shelter Plus Care Transitional Housing funds are not reflected within this chart.

# Year of funds is based on the PR07 report from IDIS and related to actual activity and for actual expenses in the Action Plan year, regardless of whether the activity was completed or not, and what year the actual activity was funded, due to HUD’s first-in, first-out requirement. The summary above is for activity expenditures based on the actual HUD grant that the funds were expended from. See reconciliation file for details between City’s and HUD’s accounting systems.

1.c. None specifically, though certain activities are delayed, which are better described later within the CAPER. Activities that were either behind schedule or delayed saw significant progress in PY2012, especially Fair Housing, ADA improvements, and HOME single-family homeownership projects. Fair Housing saw substantial progress with the training of all city boards in land use and fair housing roles and a majority of customer service staff, execution of a training program for new city staff, and providing fair housing pamphlets in paper format at public service areas and placing Fair Housing and Landlord/Tenant Relations information in a more prominent location on the City’s web-site.

2. Changes that we would propose are continued implementation of the projects from a compliance standpoint and undertaking those efforts that assist those outside agencies that receive the funding. The City’s desire is to:
   a) make the application process easier for everyone to understand and use,
   b) continue efforts to implement projects that address the greatest need with the limited resources
   c) continued and improved monitoring, including review of agency audits,
   d) implementation of the Neighborhood Stabilization Program and the Section 108/BEDI Grant for the Museum of Nature and Science Project, and
   e) provide technical assistance to the outside agencies whereby the funding requirements would not be viewed as burdensome or overly problematic.

3a. The impediments to Fair Housing Choice as identified in the 2011-2015 Consolidated Plan’s Analysis of Impediments to Fair Housing Choice (AI) are as follows:

   (1) Las Cruces Residents experience discrimination. Between 8 and 9 percent of Las Cruces residents believe they have experienced housing discrimination at some point. About 63 percent of those respondents said the discrimination occurred in Las Cruces. 742 adult residents living in the City’s low and moderate income areas and 5,727 adult residents Citywide have experienced housing discrimination. The most common reason for housing discrimination experienced by residents according to survey respondents was race and familial status. The good news is that the percentage of residents who say they would file a complaint if they experienced discrimination is very high. 70 percent of residents said they would “file a complaint” if they felt they had been discriminated against; just 2 percent said they would “do nothing.” This differs from what residents who were surveyed in 2006 did in response to discrimination: 77 percent “did nothing” about the discrimination.
(2) Development regulations could be improved to facilitate affordable housing development.
(3) Loan denial rates between Hispanics and Non-Hispanics remain relatively high.
(4) Residential accessibility in the City is lacking.
(5) Some landlords are ignorant of and/or noncompliant with the Federal Fair Housing Act.

3b. The identified goal from the City’s AI for the 2011-2015 Consolidated Plan period is:
1. Improve fair housing visibility on the City’s website.
2. Support organizations that provide credit and homebuyer counseling.
3. Implement the development recommendations from the Affordable Housing Strategy plan to facilitate affordable housing development.
4. Apply for fair housing grant funds to conduct testing.
5. Conduct a review of accessibility needs.
6. Update the City’s fair housing ordinance.
7. Monitor HACLC occupancy standards.

Responses:
1. The City continues to monitor the visibility of Fair Housing information online and in print. We have up to date information available in City Public buildings (City Hall, Public Library) and on the City’s website (www.las-cruces.org).
2. No direct action taken on this item; however, one of our CHDO’s, Tierra del Sol Housing Corporation does provide homebuyer and credit counseling, and we provided them with 2012 CHDO Operating Funds from the City’s HOME Grant.
3. Draft language for the various regulations has been created and will be reviewed and processed for approval in PY2012.
4. No action taken this program year.
5. A survey is being prepared for both Landlords and tenants.
6. City staff is preparing a draft.
7. The Housing Authority has adopted a new policy.

4. No other specific actions related to the Strategic or Action Plans are identified other than those previously described or elsewhere in this report. However, the City does look to use or pursue other funding sources to address the needs, including their own. This includes providing public service funds for general welfare and health care needs from the City’s special funds from the proceeds and/or interest earnings of a pre-paid lease of Memorial Medical Center. In PY 2011, approximately $300,000 of City-financed health care funds was provided to public service agencies that primarily benefited the low-income residents of the community.

The City also provides money from its general fund to an outside agency that provides low-income residents with assistance on their City utility bills. This assistance is limited to those residents that are delinquent in the payments and receive some other form of government assistance to determine their income status/eligibility. In the last year, the City provided $75,000 in utility assistance from the general fund, of which 98.73% was expended.

The City’s Public Works and Facilities Departments also use either grants or other appropriations received from the State of New Mexico to implement projects that benefit low-income residents, special needs populations, or low-income areas. Previous and on-going efforts included funding for improvements to the buildings at
Community of Hope or the La Casa Shelter and street and sidewalk improvements on the east mesa.

5a. Tierra Del Sol Housing Corporation continues to construct affordable housing units in their Paseo Del Oro Subdivision, the 104 lot subdivision saw an additional 4 HOME-assisted units completed during PY 2012. Habitat completed 1 new housing unit in the subdivision with Tierra Del Sol completing 3 new units. Habitat started construction on a second unit in the subdivision that will be completed in PY 2013. Tierra Del Sol also completed construction of 1 unit on an infill lot and 2 additional units on the east mesa. Mesilla Valley Habitat for Humanity completed 2 additional units in the Sierra Norte Subdivision with 2 more units to be completed in PY 2013.

The number of multi-family HOME-assisted affordable housing units did not see an increase as PY 2012 was considered a single family building year so no funds were allocated to multi-family projects. Program year 2011 was considered a multi-family project year, however the local projects applying for HOME funds did not receive necessary tax credit funding so HOME funds were re-allocated to single family projects. La Casa Inc. will receive $86,000.00 for TBRA through to June of 2014, and the remaining $164,000.00 has been reallocated to Mesilla Valley Habitat for Humanity for acquisition and construction expenses for single family development.

5b. HUD CDBG Public Services and HOME funds were used as gap-filling dollars which allowed other funds to be leveraged through our participation. The following is the estimated amount of leveraged funds for CDBG Public Services in PY 2012:

<table>
<thead>
<tr>
<th>Organization (PY, if different from PY2010)</th>
<th>CDBG Grant Amount</th>
<th>Addtl Funds Leveraged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jardín de los Niños - On Site Medical Services</td>
<td>$20,000</td>
<td>$337,261</td>
</tr>
<tr>
<td>La Casa Inc. - Emergency Shelter Prog.</td>
<td>$20,000</td>
<td>$622,877</td>
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<td>Mesilla Valley CASA Inc. - Volunteer Coordination</td>
<td>$20,000</td>
<td>$187,750</td>
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<td>Mesilla Valley Comm. of Hope - Homeless Shelter Program</td>
<td>$20,000</td>
<td>$718,902</td>
</tr>
<tr>
<td>St. Luke’s Health Care Clinic – Homeless Healthcare Coordination</td>
<td>$20,000</td>
<td>$335,627</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$100,000</strong></td>
<td><strong>$1,666,755</strong></td>
</tr>
</tbody>
</table>

5c. The HOME funds generally require a match of local monies; however, through CPD notice 07-05 issued July 11, 2007, the last CPD notice issued, the exemption from the match requirement is applicable in the subsequent year from the date of the notice. The City is exempt from match for Program Year 2012 according to HUD’s website and the HOME Match Liability Report (PR33) attached to this CAPER.

Managing the Process

1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

Program Year 2 CAPER Managing the Process response:

1. Approval of all new projects under CDBG and HOME was contingent upon addressing priority needs from the Consolidated Plan. With the exception of Public Service activities, all activities are evaluated by City staff and recommended to the
City of Las Cruces

City Council for adoption and inclusion in the yearly Action Plan. Each project is evaluated against identified needs from the Consolidated Plan, each agencies’ ability to address the need and implement the project (risk assessment), and overall ability to comply with program and planning requirements. Public Service activities are reviewed and recommended to the City Council by the Health and Human Services Advisory Committee. For public services, staff’s role is limited to a technical evaluation to determine compliance and identify past performance, while the Committee evaluates subjective and overall need issues for the community.

All new Sub-recipients, primarily those receiving CDBG Public Service funding, are provided training on Award requirements and pre-Award consultation meetings to clarify questions on items in the approved request. On-site Technical Assistance is provided as necessary or when requested and is on-going for both pre- and post-award for all agreements.

Compliance monitoring of all activities and/or site visits is no less than annual, and based upon some activities’ overall risk level or implementation ability, could result in multiple visits in any given year.

**Citizen Participation**

1. Provide a summary of citizen comments.

2. In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.

*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.*

Program Year 2 CAPER Citizen Participation response:

1. No comments were received during or as part of the public input process.

2. Grant Charts – See the Executive Summary and Exhibits 2011-1a, 1b, and 2011-2 above. Geographic Distribution: All funds are provided within the corporate limits of the City of Las Cruces only. See location maps as an attachment at the end of this CAPER.

**Institutional Structure**

1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.

Program Year 2 CAPER Institutional Structure response:
1. Funding is one of the biggest gaps for all programs using federal housing and community development funds. The gaps in funding directly affect eligible clients, as most of the organizations are called upon to do more and more, with fewer dollars every year. The City has undertaken efforts since 2006 to identify and develop potential programs that can produce additional affordable housing using local resources (i.e. either a revenue stream or land), which in FY2008, resulted in the use of City General Fund monies to develop an affordable housing strategic plan. The “2009 Affordable Housing Strategies Plan” for the City of Las Cruces was adopted by the City Council in August 2009 (early PY 2009). The Plan recommends three main activities to be undertaken in the future:

- Review and possible modifications to current development regulations
- Establishment of a land bank and land bank program, and
- Establishment of a housing trust fund, which would be funded through a General Obligation Bond or the City’s current Gross Receipts Bond recycling program.

All of these efforts would be to improve the overall housing market in Las Cruces and would work in conjunction with CDBG and HOME funds to address more community needs in future years. It is hoped that any revenue stream identified would provide for both loans and grants to affordable housing providers. The Affordable Housing Land Bank and Trust Fund were formalized as programs in PY2010 due to their inclusion in the City’s Municipal Code. Funding streams identified and actual implementation of revisions to the development standards will begin in PY2012. City Council did approve funding to the affordable housing trust fund in the amount of $100,000.00 from the City’s general fund.

The other biggest effort that is undertaken to overcome institutional gaps and capacity are our continued monitoring efforts with our outside agencies. While none of the agencies particularly like being monitored, City staff view it as an opportunity to address any deficiencies and provide training on specific regulations or programs.

Monitoring

1. Describe how and the frequency with which you monitored your activities.
2. Describe the results of your monitoring including any improvements.
3. Self Evaluation
   a. Describe the effect programs have in solving neighborhood and community problems.
   b. Describe progress in meeting priority needs and specific objectives and help make community’s vision of the future a reality.
   c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.
   d. Indicate any activities falling behind schedule.
   e. Describe how activities and strategies made an impact on identified needs.
   f. Identify indicators that would best describe the results.
   g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.
   h. Identify whether major goals are on target and discuss reasons for those that are not on target.
   i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.
Program Year 2 CAPER Monitoring response:

1. The City's monitoring expectations call for at least one annual visit to each CDBG Public Service, HOME Project site (including CHDO Operating, CHDO Reserve projects and TBRA-assisted sites); and Supportive Housing Shelter Plus Care Housing grants. HOME rental project sites are monitored in accordance with the requirements at 24 CFR 92.504. City staff provide the monitoring review to the Sub-recipient at a time that is conducive to their schedule. Generally, the arrangement for the visit commences with a call to arrange the visit, with a follow-up formal letter, verifying the time and indicating what records are to be reviewed and what activities are to be assessed. This letter is generally done with at least a two-week advance notice. To perform the actual monitoring visit, City staff use Community Planning and Development (CPD) Handbook (HBK) 6509.2, Revision-5, selected forms from Chapters 3 and 22 for Public Services, Chapters 13 and 22 for Supportive Housing Program, and Chapters 7 and 22 for both HOME/CHDO and as a framework for S+C.

Generally, for all on-site reviews there is a full record(s) review (review of program participant eligibility and supporting documentation), a complete Housing Quality Standards (HQS) for HOME multi-family, plus TBRA and Supportive Housing Program tenant based rentals and a walk-through of HOME single-family homes under construction or un-occupied, but where construction has been completed. If there are problems or issues beyond Program staff's expertise, other City Departments may be contacted. Once the review is complete, a written follow-up letter is provided to the agency, noting any Findings, Concerns, Comments, and/or Observations to the Sub-recipient, with appropriate due dates for correction/compliance.

For PY 2012, HOME monitoring and CDBG Public Services reviews have been completed. The Supportive Housing Program grants have been completed with few findings and concerns which are in the process of being addressed.

For the HOME program the monitoring has been completed with pending responses to findings and concerns from the agencies/sub-recipients with the exception of the HOME TBRA program which is pending completion. The CDBG Public Services monitoring have all been completed and closed out. CHDO recertifications are in process for Tierra Del Sol Housing Corporation and Mesilla Valley Habitat for Humanity.

2. For PY 2012, most of the CDBG Public Services subrecipients experienced few problems and had few, if any, findings or concerns all of which have been corrected and addressed in a timely fashion. The monitoring results for the HOME projects also resulted in very few findings or concerns which have all been corrected and addressed.

3a. Most accomplishments related to alleviating neighborhood and community problems are those undertaken by the CDBG Public Services funds awarded to local non-profit agencies, especially those that serve homeless, disabled adults, at-risk youth, domestic violence victims, abused and neglected children or other high priority special needs populations. Though limited in the amount of funding each year (15% of the CDBG annual entitlement), these funds assist non-profit agencies that provide services which impact the lives of individuals and families and contribute to creating healthy communities. Improved lives of individuals can result in
improved neighborhood and community problems through reduced crime, less
dependence on governmental assistance, improved health and general welfare, and
improved living conditions. Those that serve the homeless and victims of domestic
violence provide a full range of services, including meals, counseling, housing and
job training, which positively impacts the lives of individuals and the community-at-
large.

Additionally, the City’s Home Rehabilitation Program, through the use of CDBG or
NSP funds, are the most direct form of improvement to neighborhoods, by
preserving or improving housing structures throughout the community.

3b. The efforts described elsewhere and throughout this CAPER address a priority
need of the overall Consolidated Plan and only those projects which contribute to the
City’s vision are funded using either CDBG or HOME funds.

3c. **Decent Housing**

**CDBG:**

PY 2011 CDBG funds were used to acquire 4 single family vacant parcels in the Del
Rey Estates Subdivision Phase I. These four units are anticipated for completion
during PY 2013. Mesilla Valley Habitat for Humanity also completed 1 unit in the
Paseo Del Oro Subdivision in PY 2012 in which PY 2011 CDBG funds were used for
acquisition of the land.

The City’s most direct form of providing for decent housing and a suitable living
environment is the implementation of the CDBG-funded, Home Rehabilitation
Program. In PY - 2012, the Program completed rehabilitation of three (3) single
family homes, helping low and moderate income persons to upgrade or improve their
homes to safe living situations through addressing code deficiencies, repairing or
replacing sub-standard elements, or providing necessary weatherization or
accessibility needs. This included necessary lead based paint testing and abatement
on all buildings built prior to 1978.

The City's Mobile Home Ramp Program, which provides ADA compliant wheelchair
ramps for low-income disabled occupants of mobile homes, in PY 2012 six (6) ramps
were completed. The completed ramps totaled $27,051.33 in expenditures.

CDBG funds in the amount of $40,000.00 from PY 2011 were used to complete 5
roof replacements for income eligible seniors during PY 2012 through Tierra Del Sol’s
Low-Income Senior Roof Repair/Replacement Program.

**HOME:** For single-family new construction, a total of 9 HOME-assisted units were
constructed and closed during PY 2012. By agency, the summary of
accomplishments or actions are as follows:

**Tierra del Sol Housing Corporation (CHDO): - Completions**

1. Paseo Del Oro Subdivision Phase 2, had 3 HOME-assisted unit closed.
2. Constructed 3 additional HOME-assisted units with 2 of those on the
City’s growing east mesa on Payan Rd. and 1 unit on an infill lot on Alamo St.

**Activities Underway:** With PY 2011 HOME funds provided for direct down
payment assistance, Tierra Del Sol is concentrating on the completion of 7
new units in the Paseo Del Oro Subdivision Phase 2 what will be provided HOME-assisted down payment assistance and 5 additional units in the Tierra Grande Subdivision all to be completed during program year 2013. These 5 lots are being substituted for lots previously purchased in the Paseo Del Oro Subdivision phase 3 due to the non-feasibility of that location.

Mesilla Valley Habitat for Humanity (CHDO) – Completions:
1. Constructed and closed on 3 HOME-assisted units. 1 unit is located in the Paseo Del Oro subdivision and 2 units were located in the Sierra Norte subdivision. They also re-built a single family home on Calle Bella Avenue on the east mesa that had burned down during PY 2011.

Activities Underway: Mesilla Valley Habitat for Humanity acquired 4 lots on Whitney Place in the Del Rey Subdivision with plans for completion during PY 2013. Mesilla Valley Habitat will also complete 2 single family units in the Sierra Norte Subdivision on Sierra Alta St. The lots were acquired from Community Action Agency of Southern New Mexico using PY 2010 HOME funds for acquisition. PY 2011 and PY 2012 were allocated to help with construction expenses for the units.

Community Action Agency of Southern New Mexico – This Agency requested to be de-certified as a CHDO in Program Year 2012 to focus on non-housing activities due to funding shortages and a changing organizational mission. The agency continues to operate and manage a HOME-assisted 4 units apartment complex known as Cactus Gardens in downtown Las Cruces.

Multi-Family projects.
Other Activities – PY 2012 was considered a single family year for the City of Las Cruces and although 2011 was considered a multi-family year to which HOME funds were allocated to a 60 unit LIHTC project, the project did not receive tax credit funding. With the re-allocation of the HOME funds to single family project, PY 2012 did not see any gains in multi-family rental unit projects.

Other Activities – Underway: For multi-family activity, HOME Tenant Based Rental Assistance (TBRA) was provided to La Casa to provide transitional housing rental assistance for 9 families and individuals that were victims of domestic violence. This resulted in approximately $35,000 in rental assistance payments in PY2012.

Continuum of Care Programs: The Shelter Plus Care Program, a permanent Supportive Housing Program, though not part of the CDBG or HOME Programs, are other grants from HUD that provided decent housing and a suitable living environment for homeless individuals and families through tenant based rental assistance in scattered sites in PY 2012.

Suitable Living Environments & Economic Opportunities:
CDBG PUBLIC SERVICES: CDBG Public Services funds were awarded to five (5) local non-profit organizations during PY2012 that provided high priority community services to help curb escalating problems such as homelessness, child abuse and neglect, and domestic violence. These services are intended to better the living
environment of low-income residents. Services provided by PY2012 CDBG Public Services funds are summarized, as follows:

1) Jardín de los Niños, a childcare facility for homeless and near-homeless children located on the campus of the Mesilla Valley Community of Hope, received $20,000 in PY2012 CDBG Public Services funding to provide Children’s Therapeutic Services for homeless/near homeless children that focuses on direct treatment, prevention, intervention and education via early learning opportunities, individualized curriculum, therapy for developmental delays and social and emotional behavioral interventions; as well as assistance for self-sufficiency and stabilization out of homelessness; and Health care assessments, housing assistance and information/education. Jardín served a total of 1,131 duplicated children during PY2012.

2) La Casa, Inc., a facility serving homeless and near-homeless abused spouses and children, received $20,000 in PY2012 CDBG Public Services funding to implement the operations of their Emergency Shelter Program. La Casa, Inc. served 543 unduplicated homeless and near-homeless abused spouses and children during PY2012.

3) Mesilla Valley CASA, Inc., a facility serving abused and neglected children, received $20,000 in PY2012 CDBG Public Services funding for Volunteer Coordination and Development, court ordered advocacy and supervision program serving adjudicated at-risk foster children, foster families and birth families. Mesilla Valley CASA, Inc. served 1,160 duplicated abused and neglected children during PY2012.

4) Mesilla Valley Community of Hope, a primary provider of services to homeless, near-homeless and disabled persons received $20,000 in PY2012 CDBG Public Services funding for day shelter (showers, laundry, clothing) and case management (referrals to health care, housing, employment and counseling) services. Mesilla Valley Community of Hope served 556 unduplicated homeless and near-homeless adults and their families during PY2012.

5) St. Luke’s Health Care Clinic, a provider of medical services for homeless, near-homeless and disabled persons received a $20,000 operational grant in PY2012 CDBG Public Services funding for Homeless Health Care Coordination. St. Luke’s Health Care Center served 1,461 duplicated patients during PY2012.

**HOME REHABILITATION & MOBILE HOME RAMP PROGRAMS:** Completion of three (3) home rehabilitation projects of owner-occupied housing, two (2) were processed and started in PY2011, one was processed in PY2011 and started in PY2012. This included necessary lead based paint testing and abatement on all buildings built prior to 1978. These completed projects totaled an expenditure of $163,082.17, using funds from PY2010-2011 along with PY2012 funds for program staffing and operating expenses. Staff spent a large amount of time processing ten (10) potential applicants for the Home Rehabilitation Program of which one (1) was awarded a rehabilitation loan and grant and is under construction, seven (7) were withdrawn or otherwise disqualified due to numerous ineligibility factors, one (1) was found to be income ineligible, and one (1) was nonresponsive.

Staff also processed ten (10) applicants for the Mobile Home Ramp Program during the 2012 Program Year, of which six (6) ramps went out to construction and were completed. The six completed ramps totaled an expenditure of $27,051.33. The
other four (4) applicants withdrew or were disqualified due to various ineligibility factors.

**OTHER PROJECTS – Completed:**
The Tierra Del Sol Low-Income Senior Roof Repair/Replacement Program was funded with $40,000 in CDBG funds from PY11. This program was able to complete 5 separate projects during program year 2012. All funds have been expended, and the program is now closed.

Phase I of the Midway Ave. reconstruction project was completed on the City’s east mesa. This project included installing new sewer system, natural gas stub outs, curb and gutter and sidewalks to the residents of this street. This project was funded in part with $200,000 of PY11 CDBG funds.

3d. No activities are considered to be behind schedule.

3e. **CDBG Portion:** In addition to those activities reported in item 3c. above, the following also applies: Under Section 3 of the Housing and Urban Development Act of 1968, outreach efforts were made to every recipient of Federal Housing assistance for the Section 3 program. Over 1000 letters were sent out. The Section 3 program is designed to give employment opportunities to Section 3 residents, which are residents of public housing and/or low, to low-mod income residents of the City of Las Cruces. The City of Las Cruces as of PY2012 has 5 certified section 3 contractors. The first contractor to certify has failed to re-certify after the initial 3 year term expired.

3f. **CDBG Portion:** Completion of the CDBG Public Services activities, the closeout of the Midway Avenue street reconstruction, Tierra Del Sol Re-Roof Program, the mobile home ramps and home rehab projects that were completed in the last program year. See detail in items reported in 3c. and 3e. above.

HOME Portion: Completion of 9 single-family owner-occupied housing units, and 5 homeless and near homeless households assisted with TBRA funds. See detail in items reported in 3c. above.

3g. Funding, or more accurately, lack of funding, is probably the barrier that most negatively impacts the City’s ability to fulfilling the strategies and vision for the community. As the growth of the community has experienced some slow down due to downturns in the economy, construction projects have also experienced some slow down in the private sector and prices have not increased as substantially as they had in previous years, thus the City is optimistic that increased contractor competition will help with future implementation of on-going projects. For all other activites, funding at the national, state, and local level that are partnered with CDBG funds to complete or make activites happen, still continue to present difficulties, though construction firms are now available to more readily assist than they were during the boom years.

3h. Most Goals are on target from the Consolidated Plan for 2011-2015, though funding is still the difficult part of addressing this target. As is the case with almost all cities in the United States, the need for affordable housing and supportive services for the homeless, disabled, elderly, and low income persons, in general, far exceeds the capacity of municipalities to provide them. The City generally has to balance the limited HOME funding between Goal A (Home Buyers) and Goal B (Renters) in alternating years. The social services needs to Special Populations, as
well as housing, from Goal D, is also part of the limitations from funding (CDBG Public Services cap of 15%) and also competes for HOME funds for housing development. However, the City is able to provide a relatively good effort to address the targeted goals. Goal C is right on target to address the preservation needs for owner-occupied housing, as is Goal E, for infrastructure and economic improvements to neighborhoods, though higher prices and costs make this more and more difficult.

3i. The Home Rehabilitation Program has created a new program called the Mobile Home Utility Upgrade Assistance Program.

The purpose of the Mobile Home Utility Assistance Program is to:
- Provide assistance to low- and moderate-income mobile home owners, who live in mobile home parks, when the City of Las Cruces Utilities Department replaces or upgrades utility piping that causes the owner to make repairs, relocate connecting piping, or replace appliances, in order to meet current code requirements.
- Administer appropriated public funds in full compliance with all conditions and requirements stipulated by funding source entities, in compliance with corresponding City policies and procedures; and responsibly utilize resources through prudent and equitable decisions that will be reflected in grants to qualified clients.

Qualifying home rehabilitation clients is proving to be more and more difficult. Staff updated the Home Rehabilitation Handbook to provide Home Rehabilitation Committee a greater role in providing exceptions to the qualification process of clients and to increase loan and grant amounts. This may allow for the City to serve more clients.

Lead-based Paint
1. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.

Program Year 2 CAPER Lead-based Paint response:

1. The City of Las Cruces is committed to reducing the hazards posed by Lead Based Paint (LBP) in the older stock of the City and to reduce the potential for childhood lead poisoning.

All City-eligible contractors in the Home Rehabilitation Program, which bid on houses that were built before 1978, are mandated to be certified with the EPA’s “Renovate, Repair, and Painting Rule” (RRP). This EPA Rule has added more advanced training and documentation requirements for contractors and renovation workers.

Under the City’s Home Rehabilitation and Neighborhood Stabilization Programs, LBP testing was done on all homes constructed before 1978 and which were rehabilitated through these two programs. All LBP, detected at levels considered "hazardous," was removed and disposed of per HUD/EPA regulations as part of the Rehabilitation.

In PY2012, the Home Rehabilitation Program completed the rehabilitation of three (3) homes, two (2) were tested for LBP. One was found to be clear of LBP hazards and one (1) was found to have LBP at levels considered to be "hazardous" and had all the LBP removed. Currently there is one (1) construction project underway, it was tested and was found to be clear of lead based paint. One house is underway in the Neighborhood Stabilization Program. This house was tested and found to be clear of LBP.
Following is a table that summarizes the LBP efforts of the City’s Home Rehabilitation Program:

<table>
<thead>
<tr>
<th>LEAD BASED PAINT SUMMARY PY 2012</th>
</tr>
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<tbody>
<tr>
<td>Number of Homes Rehabilitated (completed)</td>
</tr>
<tr>
<td>Number of homes under construction</td>
</tr>
<tr>
<td>Number of Homes Tested for LBP #</td>
</tr>
<tr>
<td>Number of Houses Containing LBP #</td>
</tr>
<tr>
<td>Total Cost of LBP Testing</td>
</tr>
<tr>
<td>Total Cost of LBP Clearance</td>
</tr>
<tr>
<td>Estimated Cost of Removal of all LBP</td>
</tr>
<tr>
<td>Combined Total – LBP Testing, Clearance, and Removal</td>
</tr>
<tr>
<td>Total Rehabilitation Cost of Houses with LBP#</td>
</tr>
<tr>
<td>% of LBP Testing, Clearance, and Removal to Total Costs (Approx.)</td>
</tr>
</tbody>
</table>

# One home tested positive for LBP in PY 2011 that carried over into PY 2012, so the testing cost was shown in PY 2011 and the removal and clearance cost are reflected in the PY 2012 summary above.

**HOUSING**

**Housing Needs**

*Please also refer to the Housing Needs Table in the Needs.xls workbook.*

1. Describe Actions taken during the last year to foster and maintain affordable housing.

Program Year 2 CAPER Housing Needs response:

1. For most of the effort relating to housing development, the City achieves its results through all of its HOME activities and the Home Rehabilitation Program, which is funded by CDBG.

**HOME:**

**Tierra del Sol Housing Corporation:**

Tierra Del Sol Housing Corporation was able to complete construction on 6 HOME-assisted units, 3 located in the Paseo Del Oro Phase 2 subdivision, 2 units on the on Payan St on the City’s east mesa and unit in an infill lot on Alamo St. near downtown. Tierra Del Sol is working to complete 12 single family units in PY 2013 with 7 of those units to be assisted with PY 2011 funds for down payment assistance only. The other 5 units will be assisted with HOME funds for eligible construction expenses.

**Mesilla Valley Habitat for Humanity:**

Mesilla Valley Habitat for Humanity constructed and completed work on 3 HOME-assisted units, 1 in the Paseo Del Oro Subdivision and 2 units on Sierra Alta St. in the Sierra Norte Subdivision. The lots in the Paseo Del Oro Subdivision were purchased through negotiations with from Tierra Del Sol Housing Organization and
the lots in Sierra Norte Subdivision were acquired from Community Action Agency through a previous HOME-assisted transaction.

Other HOME activities:

Multi-family- No new multi-family HOME-assisted units were completed during PY 2012. The City alternates funding between years for single family and multi-family projects, in as such, PY 2012 was not considered a multi-family funding year. Program year 2011 HOME funds were allocated to a multi-family project that did not come to fruition with the project not being awarded tax credits so the HOME funds were reallocated to single family projects and with the project with HOME funds.

CHDO Operating- CHDO operating funds were provided to both Tierra Del Sol Housing Corporation and Mesilla Valley Habitat for Humanity to offset operating expenses of the CHDO’s.

TBRA- In PY 2012 HOME Funds were used to assist up to 14 homeless and near-homeless households who are also victims of domestic violence through La Casa Inc. The funding provides rent subsidy, security deposits, and supportive services. Five (5) new household were assisted during the year, and six (6) households transitioned or exited from the program.

CDBG: For the Home Rehabilitation Program, the City assisted low- and moderate- income families to restore their homes to safe and sanitary conditions by extending the useful life of the owners’ homes while also encouraging neighbors to do the same. This promotes pride and values in both the homeowners and their neighborhoods. Other results are increased property values, and the prevention and/or reversal of potential blight in these areas. The Home Rehabilitation Program Staff also administers the Mobile Home Ramp Installation Program which was adopted in August, 2007 as part of the Home Rehabilitation Program. In PY 2012, the Home Rehabilitation Program completed the rehabilitation of three (3) homes and has completed six (6) Mobile Home Access Ramps, using funding from 2011-2012. CDBG Funding in PY 2012 also provided program operating costs, which covered the City’s administration of the program (staffing, operating, and limited capital costs).

Home rehabilitation staff, also were instrumental in the implementation of the City’s $1,500,000 in NSP funds from the State of New Mexico. The City of Las Cruces was the first in the State to obligate all of its funds in advance of the September 2010 deadline. As of the end of PY 2012 the City has expended $1,446,645.29 on the purchase, rehabilitation, and management of a total of nine (9) vacant and forclosed homes with NSP funds. Five (5) were given to Tierra del Sol for homebuyers and four were given of La Casa, for rentals. The total program income generated from Tierra del Sol through the end of PY 2012 was $204,574.97, as one (1) of the five (5) homes was sold during PY 2011 and two more have been sold in PY 2012, the remaining two are still under lease-to-own contracts with the future owners. One home was purchased with Program incomen in 2012. This home was given to the Mesilla Vally Community of Hope and is being rehabilitated for use as a rental for the permanent home for disabled women. When the other two homes are sold the City will receive program income, with which more homes may be purchased and rehabilitated.
Specific Housing Objectives

1. Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.

2. Evaluate progress in providing affordable housing that meets the Section 215 definition of affordable housing for rental and owner households comparing actual accomplishments with proposed goals during the reporting period.

3. Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.

Program Year 2 CAPER Specific Housing Objectives response:

1. Efforts to meet the affordable housing goals related to each income level are around what was projected in the 2012 Action Plan. That does not mean that it was easy and the main difficulty is due to the complexity and regulation requirements for implementing each project using multiple funding sources and the timing of completing any given project. Overall, for the first year Consolidated Plan period, the total goals were not achieved due to the lack of funding and amount of need in comparison to the available funds. The annual goals are generally met on the whole, but actual numbers by category may vary.

The actual accomplishments versus the goals for all income levels are summarized in the following table, which is extracted from the information contained in the attached Housing needs table. In addition to HOME-specific project, the data below also includes: 1) complete home rehabilitation and mobile home ramp projects using CDBG funds and 2) TBRA units assisted within PY2012.

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<th>HOUSING TYPE</th>
<th>HOUSEHOLD TYPE</th>
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</tr>
</tbody>
</table>

2. The majority of PY 2012 homeownership efforts were divided between the Paseo Del Oro Phase 2 Subdivision with 4 HOME-assisted units constructed and closed, as well as on the City’s east mesa with 3 units constructed and closed. Near downtown Las Cruces, Tierra Del Sol completed construction of 1 owner-occupied unit. All units
were purchased by Section 215 owners. Additionally, rental assistance was provided through Tenant Based Rental Assistance, which assisted 16 families. Five home rehabilitation projects and eight mobile home ramp projects were completed in PY2012 using CDBG funds and were all occupied by Section 215 owners.

3. Addressing "worst-case" and housing for persons with disabilities are identified within the Home Rehabilitation Program and the HOME Program in general on a case-by-case and project-specific basis, which is generally accomplished through the application process. The City's Home Rehabilitation Program does allow for substantial rehabilitation (i.e. tear-down of the existing and construction of a new home) for the most serious of dilapidated housing. This substantial rehabilitation requires an assessment of housing condition by City staff and approval of the funding allocation by the City Council. This process was established in this fashion primarily due to the overall investment required from the City's Home Rehabilitation Program and to ensure that it is only used in the worst of housing situations.

Additionally, the City’s Home Rehabilitation and Mobile Home Ramp Programs assist those with disabilities, which are dependent upon the individual client’s needs and whether their individual application is processed from the City’s first-come, first-served waiting list procedures.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiatives.

Program Year 2 CAPER Public Housing Strategy response:

1. No actions were taken in PY 2012 by the City of Las Cruces, as the Public Housing efforts and initiatives are under the responsibility of the Mesilla Valley Public Housing Authority (MVPHA). The MVPHA does not use HOME or CDBG funds for improvements in public housing.

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

Program Year 2 CAPER Barriers to Affordable Housing response:

1. An Affordability Gap Analysis was performed as part of the Housing Market Analysis in the 2011-2015 Consolidated Plan. The Affordability Gap analysis provided a detailed examination of the City’s housing inventory, the affordability of the housing, and the efforts being undertaken to produce new affordable housing units. The primary objective of the Affordability Gap analysis was to identify the difference between the number of households within each income range and the number of housing units affordable to those households. The results of the Affordability Gap analysis have assisted the City in developing new programs and initiatives to address the affordable housing needs.

The City, using FY2008 General Fund monies for the development of an Affordable Housing Strategies Plan was mostly completed in Program Year 2008, but not adopted by the City Council until August 2009 (early PY2009). The 2009 Affordable Housing Strategies Plan recommends three main activities to be undertaken in the future:
An ordinance authorizing the establishment of both the land bank and housing trust fund was adopted in November 2010 (PY2010), with hopes of funding the trust fund and using some existing city land for the land bank. All of these efforts would be to improve the overall housing market in Las Cruces and would work in conjunction with CDBG and HOME funds to address more community needs in future years. It is hoped that any revenue stream identified would provide for both loans and grants to affordable housing providers. During PY2012 the City dedicated two parcels of City owned property to the land bank and City Council provided funding to the trust fund for affordable housing endeavors. It is anticipated that for PY 2013 City Council will dedicate general funds to the trust fund for future use. It is also expected that both the land bank and trust fund will be more fully implemented with the dedication of land by the City and staff have prepared preliminary drafts for the development regulations that we hope to have adopted for implementation during PY 2013.

**HOME/ American Dream Down Payment Initiative (ADDI)**

1. **Assessment of Relationship of HOME Funds to Goals and Objectives**
   a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.

2. **HOME Match Report**
   a. Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.

3. **HOME MBE and WBE Report**
   a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women’s Business Enterprises (WBEs).

4. **Assessments**
   a. Detail results of on-site inspections of rental housing.
   b. Describe the HOME jurisdiction’s affirmative marketing actions.
   c. Describe outreach to minority and women owned businesses.

**Program Year 2 CAPER HOME/ADDI response:**

<table>
<thead>
<tr>
<th>Consolidated Plan Goal #, Topic, &amp; Project Name:</th>
<th>Project Name/Developer(s):</th>
<th>HOME Funding Years</th>
<th># of Units created in PY 2012 (all are HOME assisted)</th>
<th>Status of Project in PY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>A – Homeownership</td>
<td>Homeownership Programs / Habitat for Humanity, Tierra del Sol,</td>
<td>2008</td>
<td>3</td>
<td>All completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20010</td>
<td>2</td>
<td>All completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>20011</td>
<td>4</td>
<td>All completed</td>
</tr>
</tbody>
</table>
2. The City is exempt due to severe fiscal distress from HOME match requirements for PY 2012 according to HUD’s website and the last CPD notice issued and dated July 11, 2007. A copy of the HOME Match Liability Report from HUD’s IDIS (Integrated Disbursements and Information System) is attached (see PR 33).

3. During the past program year, the City of Las Cruces did business with at least 5 minority owned businesses. These were CDBG funds used for various services (i.e. land appraisal, housing consulting and lead based paint testing) for the Home Rehabilitation Program. See attached MBE/WBE reports submitted during PY2011. No activities were undertaken using HOME funds that were through outside consultants. All HOME-activities were implemented through non-profit organizations dedicated to creating affordable housing.

4a. Eight on-site inspections of rental housing projects, as well as individual HOME TBRA projects, were completed as part of this year’s HOME monitoring process. The nature of the limited number of findings/concerns related to lack of routine maintenance, missing batteries in smoke detectors, and some instances of tenant responsibilities in the individual units. All of the findings/concerns identified have been resolved upon subsequent re-inspection and/or supporting documentation. The Supportive Housing Transitional Housing and Shelter Plus Care TBRA Programs also had on-site inspections of the scattered rental units in PY2012.

4b. The City of Las Cruces actively markets it programs through bilingual public forums and advertisements. All HOME-assisted projects must have an affirmative marketing plan or certification as applicable as part of their HOME Agreement with the City.

4c. Outreach to Minority and Women-owned business is very limited by the City of Las Cruces under the HOME Program. This is due in part that very little HOME money is available for Administration and most of that is spent on staff salaries and benefits. Most contracted or purchased services are undertaken by the CDBG program and outreach/marketing is handled by the City’s Purchasing Section and is in accordance with the City’s Procurement Ordinance and Code. All HOME and CDBG Agreements with outside agencies include the required MBE/WBE specifications and are monitored yearly by the City.

**HOMELESS**

**Homeless Needs**

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.*

1. Identify actions taken to address needs of homeless persons.
2. Identify actions to help homeless persons make the transition to permanent housing and independent living.
3. Identify new Federal resources obtained from Homeless SuperNOFA.
Program Year 2 CAPER Homeless Needs response:

1. CDBG Public Services funds directly assist the problem of homelessness and their needs (addressing hunger, shelter, medical services). Fifteen percent (15%) of the City’s PY2011 CDBG entitlement, or $100,000.00 was dedicated to public services. Approximately 80% (or $80,000) of that funding was awarded to sub-recipients who serve the homeless and near-homeless population almost exclusively.

Services for Homelessness – Total award for all agencies combined: $80,000. The agencies are:

(1) Mesilla Valley Community of Hope, a primary provider of services for homeless, near-homeless and disabled persons, received $20,000 in PY2012 CDBG Public Services to provide for day shelter (showers, laundry, clothing) and case management (referrals to health care, housing, employment and counseling) services. This activity resulted in 556 unduplicated clients being served over the last program year.

(2) La Casa, a non-profit agency serving homeless and near-homeless victims of domestic abuse and their families received $20,000 in PY2012 CDBG Public Services funding to operate their Emergency Shelter Program. This activity resulted in 543 clients being served in PY2012.

(3) Jardín de los Niños, a childcare facility for homeless and near-homeless children located on the campus of the Mesilla Valley Community of Hope, received $20,000 in PY2012 CDBG Public Services funding to provide Children’s Therapeutic Services. Services focus on direct treatment, prevention, intervention and education via early learning opportunities, individualized curriculum, therapy for developmental delays and social and emotional behavioral interventions. Jardín served a total of 1,131 duplicated children during PY2012.

(4) St. Luke’s Health Care Clinic, a medical facility for homeless, near-homeless and disabled patients located on the campus of the Mesilla Valley Community of Hope, received $20000 in PY2012 CDBG Public Services funding to operate their Homeless Health Care Coordination Program. This activity served 1461 duplicated clients.

2. The City has had some success in helping homeless persons make the transition to permanent housing and independent living. With 2007 HOME funds provided to Resources for Children and Youth Inc. for construction of El Crucero, and continued the leasing of units in PY 2012. The 12 unit, 26-bed complex provides housing for young adults transitioning out of foster care, drug treatment or rehabilitation programs whom would otherwise be homeless or living in unsafe conditions and provides them a plan to gain life skills enabling them to transition to permanent housing. The facility has 5 HOME-assisted units containing 4-two-bedroom and 1 three-bedroom unit.

The City of Las Cruces is currently the recipient of two Continuum of Care Supportive Housing Program (SHP) grants, both provide for permanent housing and supportive services, both of which are Shelter Plus Care (S+C) grants, that serve homeless, disabled individuals and families. The first S+C grant (Community Housing Connections I) is in its 9th year of implementation and serves 15 or more households a year. The second S+C grant is in its 4th year of implementation and serves 10 households a year. The City administers these programs in partnership with Mesilla
Valley Community of Hope, the local Housing Authority, and Southwest Counseling Center.

3. For PY2011, the eighth full-year of Supportive Housing Shelter Plus Care grant (Community Housing Connection I) was utilized throughout the program year.

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

Program Year 2 CAPER Specific Housing Prevention Elements response:

1. Homeless prevention has not been specifically targeted within either of the City’s CDBG or HOME Programs. The City does have a 10-year Plan to end homelessness that has been adopted, but needs to be implemented further. Staffing time and funding has been the primary reason for limited action on the 10-year plan.

Emergency Shelter Grants (ESG)

1. Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets).

2. Assessment of Relationship of ESG Funds to Goals and Objectives
   a. Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the Consolidated Plan.
   b. Detail how ESG projects are related to implementation of comprehensive homeless planning strategy, including the number and types of individuals and persons in households served with ESG funds.

3. Matching Resources
   a. Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff salaries, as well as in-kind contributions such as the value of a building or lease, donated materials, or volunteer time.

4. State Method of Distribution
   a. States must describe their method of distribution and how it rated and selected its local government agencies and private nonprofit organizations acting as subrecipients.

5. Activity and Beneficiary Data
   a. Completion of attached Emergency Shelter Grant Program Performance Chart or other reports showing ESGP expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.
   b. Homeless Discharge Coordination
      i. As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming
homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.

c. Explain how your government is instituting a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.

Program Year 2 CAPER ESG response:

1 through 5c. Not applicable, the City of Las Cruces is not an ESG entitlement community.

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Assessment of Relationship of CDBG Funds to Goals and Objectives
   a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.
   b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.
   c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.

2. Changes in Program Objectives
   a. Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.

3. Assessment of Efforts in Carrying Out Planned Actions
   a. Indicate how grantee pursued all resources indicated in the Consolidated Plan.
   b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.
   c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.

4. For Funds Not Used for National Objectives
   a. Indicate how use of CDBG funds did not meet national objectives.
   b. Indicate how did not comply with overall benefit certification.

5. Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property
   a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.
   b. Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.
c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

6. Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons
   a. Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.
   b. List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.
   c. If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.

7. Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit
   a. Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.

8. Program income received
   a. Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.
   b. Detail the amount repaid on each float-funded activity.
   c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.
   d. Detail the amount of income received from the sale of property by parcel.

9. Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:
   a. The activity name and number as shown in IDIS;
   b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported;
   c. The amount returned to line-of-credit or program account; and
   d. Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.

10. Loans and other receivables
    a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.
    b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.
    c. List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.
    d. Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.
e. Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.

11. Lump sum agreements
   a. Provide the name of the financial institution.
   b. Provide the date the funds were deposited.
   c. Provide the date the use of funds commenced.
   d. Provide the percentage of funds disbursed within 180 days of deposit in the institution.

12. Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year
   a. Identify the type of program and number of projects/units completed for each program.
   b. Provide the total CDBG funds involved in the program.
   c. Detail other public and private funds involved in the project.

13. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies
   a. Describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.

Program Year 2 CAPER Community Development response:

<table>
<thead>
<tr>
<th>GOAL #</th>
<th>GOAL TOPIC:</th>
<th>YEAR OF FUNDS</th>
<th>PRIORITY LEVEL</th>
<th>AMOUNT OF CDBG FUNDS EXPENDED</th>
<th># OF PROJECTS</th>
<th>PROJECT NAME OR TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Assistance to Low-Income Buyers</td>
<td>2012</td>
<td>High</td>
<td>$37,465.33</td>
<td>4</td>
<td>Property Acquisition only for new housing construction</td>
</tr>
<tr>
<td>2</td>
<td>Assistance for Low-Income Renters</td>
<td>N/A</td>
<td>High</td>
<td>$0.00</td>
<td>N/A</td>
<td>Relied on HOME</td>
</tr>
<tr>
<td>3</td>
<td>Preserving Housing Stock</td>
<td>2012 &amp; 2011</td>
<td>High</td>
<td>$222,794.39</td>
<td>14</td>
<td>Program Admin, Individual Rehabs and Ramp projects</td>
</tr>
<tr>
<td>5</td>
<td>Fair Housing</td>
<td>2012</td>
<td>High</td>
<td>$2,834.31</td>
<td>N/A</td>
<td>Education &amp; Outreach</td>
</tr>
<tr>
<td>6</td>
<td>Improve Neighborhoods</td>
<td>2011</td>
<td>High</td>
<td>$30,866.27</td>
<td>1</td>
<td>, Midway Avenue</td>
</tr>
<tr>
<td>Other</td>
<td>Administration</td>
<td>2012 &amp; 2011</td>
<td>High</td>
<td>$321,320.80</td>
<td>N/A</td>
<td>Administration</td>
</tr>
</tbody>
</table>
1b. No goals were established within the Consolidated Plan to address affordable housing using CDBG funds. Most efforts for new affordable housing in Las Cruces rely on HOME funds. The City did utilize funds from PY2009 and PY2007 to complete the mortgage buy-down in order to preserve a Section 202 project that provides affordable housing to homeless, disabled individuals. This project preserved the two buildings, which has 27 single-room occupancy units.

Also, the City uses CDBG funds for its Home Rehabilitation Program, which is outlined below in the following question. As part of their general operations funded by CDBG Public Services, both La Casa Inc. and Mesilla Valley Community of Hope work to reduce recidivism by providing affordable housing programs and transitional housing for victims of domestic violence and their children, and homeless individuals and families, respectively.

CDBG funds in the amount of $37,465.33 were provided towards acquisition of 4 vacant parcels in the Del Rey subdivision through Mesilla Valley Habitat for Humanity for construction of single family owner occupied units to be sold to low income households. These units are expected to be completed during PY 2013.

1c. The Home Rehabilitation Program is administered by the City’s Community Development Department. The Program provides loans, deferred payment loans, and/or grants for the rehabilitation of substandard, single-family, owner-occupied structures, grants for the construction of ramps for low income disabled individuals that live in mobile homes, and grants to low-and moderate-income mobile home owners, who live in mobile home parks, when the City of Las Cruces Utilities Department replaces or upgrades utility piping that causes the owner to make repairs, relocate connecting piping, or replace appliances, in order to meet current code requirements.

The City’s Home Rehabilitation Program also addresses issues within the Goals for improving neighborhoods and communities through positive improvements to individual homes which provide improvement to neighborhoods. The Home Rehabilitation Program is also committed to restore historic qualifying houses which are located in the historic districts of the City of Las Cruces.

The Home Rehabilitation Program completed three (3) home rehabilitation projects and six (6) mobile home ramps using CDBG funds for an approximate total of $190,133.50 in PY 2012. These projects were all completed using unspent CDBG funds from Program Years 2010-2012 that was dedicated to the Home Rehabilitation Program. The 2012 Action Plan allocated $419,601.79 of CDBG funds to the Home Rehabilitation Program, which includes both Administration expenses and funds reserved for eligible projects. Please see chart that immediately follows.

<table>
<thead>
<tr>
<th>ADDRESS</th>
<th>INCOME LEVELS</th>
<th>AWARD TYPE</th>
<th>AMOUNT EXPENDED IN PROGRAM YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LOW</td>
<td>VERY LOW</td>
<td>EXTL OW</td>
</tr>
<tr>
<td>1944 La Jolla Ave.</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>109 Ridgcrest St.</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>
The Specific items addressed for these projects are:

1944 La Jolla: Occupied by the female head of household and one adult child. The home was built in the 1950’s and had not received the maintenance over the last decade that is required to maintain a building of this age. The home was also in need of weatherization and an updated heating and cooling system. Energy Star® rated appliances, windows, doors, a new roof, plumbing updates and many other repairs were included. The Home Rehabilitation Program cooperated with another non-profit to share expenses on this project, Green Works Inc., provided high efficiency items such as lightbulbs, a refrigerator, and insulation.

109 Ridgcrest Ct.: Occupied by the female head of household and two minor children. The home was built in the 1950’s and had not received the maintenance over the last decade that is required to maintain a building of this age. The home was also in need of weatherization and an updated heating and cooling system. Energy Star® rated appliances, windows, doors, a new roof, plumbing updates and many other repairs were included. The Home Rehabilitation Program cooperated with another non-profit to share expenses on this project, Green Works Inc., provided high efficiency items such as lightbulbs, a refrigerator, and insulation.

1963 Wingate Ct.: Occupied by a husband and wife with four minor children. The home generally needed only weatherization and energy efficiency upgrades. This included new Energy Star rated windows, and doors. The Home Rehabilitation Program cooperated with another non-profit to share expenses on this project. Southwestern Regional Housing and Community Development Corporation provided high efficiency weatherization items such as a furnace, water heater, duct sealing, insulation and exhaust fans.

The remainder of the projects were ramps for low income disabled individuals that live in mobile homes. All included removal of some or all of the existing stairs or ramps and complete new construction of ADA compliant wooden ramps and decks.
2a. Modifications to the City’s Home Rehabilitation Handbook were made in PY2012 including underwriting standards and providing greater decision making authority to the Home Rehabilitation Committee, to improve qualifying rates for program applicants. Updates to the Fair Housing Ordinance are anticipated in PY2013. The City will continue to address the updated goals as established by the new 2011-2015 Consolidated Plan and Analysis of Impediments to Fair Housing Choice that was adopted in the later parts of PY2010.

The City will look to continue implementation and expansion of fair housing efforts as well as evaluate revisions to the City’s Home Rehabilitation Program requirements.

3a. The City of Las Cruces actively plans and programs each year’s allocation of CDBG and HOME funds. Should additional program income result in a substantial amount of savings of entitlement funding, then an Action Plan Amendment is completed in the earlier parts of the next year to dedicate these funds to an additional or on-going project. The City works with its outside partners or on its own accord to utilize the funds available within the Consolidated Plan.

3b. One person is designated to sign all certificates of consistency and that is the Community Development Director or in his absence, the Deputy Director. This position is responsible for oversight of both the HOME and CDBG programs, and is an employee of the City of Las Cruces. The consistency form is on the City’s website with the administrator’s name and title pre-printed on the form to reduce the possibility of the form being given to someone else to sign, e.g. the Mayor, one of the City Councillors, or the City Manager. Also, the certification is only required on projects for outside agencies not pursuing CDBG or HOME funds from the City, but only for other HUD funds not administered directly by the City and for Supportive Housing Program grants.

3c. The City’s Community Development Department serves as the starting point for a great many projects, whether funded by CDBG and/or HOME or not. Therefore, these staff are involved in a great deal of oversight in many areas and their work interacts with other City departments and functions. Regular staff meetings and discussions help to identify potential areas that might be affected by other departments and staff. The Department Director is also part of the City’s Executive Management team and attends all City Council meetings. This provides for routine oversight and inquiry into potential issues on a regular basis and serves as the foundation for eliminating hinderances to the Consolidated Plan’s implementation by action or willful inaction.

4a. No CDBG funds were used that did not meet national objectives.

4b. No CDBG funds were used that did not comply with overall benefit certifications.

5a. The City has an adopted and updated Anti-Displacement and Relocation Policy as of mid-PY2011, due in part to a HUD-review of the City’s CDBG and HOME Programs. The City’s initial efforts are to always minimize relocation and displacement wherever possible in accordance with the adopted Policy. As with the new policy, actions were taken to utilize the NM Department of Transportation’s property acquisition requirements to further ensure our efforts comply with federal regulations.
5b. No CDBG funds were used in projects triggering Anti-displacement and Relocation.

5c. No CDBG funds were used in projects triggering Anti-displacement and Relocation.

6a. through 6c. Not applicable. The City of Las Cruces does not currently use or has not previously used its CDBG funds for L/M Job Creation activities.

7a. Every program year, the City and agency staff conduct a survey for the Mesilla Valley Community of Hope campus that helps to document the nature and location of the clients that they serve for an entire week. The survey instrument and methodology is structured so that clients are only counted once during the week. For PY2012, the campus agency served a total of 1093 persons. Out of the 1093, 829 (75.85%) agreed to take the survey. 397 (47.89%) of the 829 surveyed reported being currently homeless. 821 (99.03%) reported as being low-income. 357 (43.06%) reported as being disabled. The final results determine a presumed benefit of 67.43%. The campus is well-known to the community as serving the homeless and low-income persons and many referrals are made to the agencies that comprise the campus, thus in general by its existence, its nature to serve limited clientele is established.

The PY2012 survey will be retained in files at the City offices.

8a. Not applicable, the City does not have any revolving loan funds.
8b. Not applicable, the City has not used or had any float-funded activities.
8c. Not applicable, the City does not have any revolving loan funds.

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
<th>Amount/Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDBG</td>
<td>Home Rehabilitation Program (Principal &amp; Interest)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total P&amp;I Repayment received from WestStar</td>
<td>$59,241.72</td>
</tr>
<tr>
<td></td>
<td>Amount of Lump Sum payoffs (included in above)</td>
<td>$8,191.05</td>
</tr>
<tr>
<td></td>
<td>Number of Lump Sum payoffs</td>
<td>2</td>
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<tr>
<td></td>
<td>PI for Performance Bond (included in above)</td>
<td>$0.00</td>
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<tr>
<td></td>
<td>PI for June 2012 WestStar Accts (included in above)</td>
<td>$2,752.60</td>
</tr>
<tr>
<td></td>
<td>WestStar after June 30, 2013 (included in above)</td>
<td>$2,681.05</td>
</tr>
<tr>
<td></td>
<td><strong>GRAND TOTAL PROGRAM INCOME RECEIVED – ALL SOURCES</strong></td>
<td><strong>$67,504.32</strong></td>
</tr>
<tr>
<td>HOME</td>
<td>Home Rehabilitation Program (Principal &amp; Interest)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total P&amp;I Repayment received from WestStar</td>
<td>$18,506.25</td>
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<tr>
<td></td>
<td>Amount of Lump Sum payoffs (included in above)</td>
<td>$17,985.99</td>
</tr>
<tr>
<td></td>
<td>Number of Lump Sum payoffs</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>P&amp;I for June 2012 WestStar Accts (included in above)</td>
<td>$1,376.10</td>
</tr>
<tr>
<td></td>
<td>Multi-Family Rental Development (Principal &amp; Interest)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Repayment received (included in above)</td>
<td>$24,751.08</td>
</tr>
<tr>
<td></td>
<td>Amount of Lump Sum payoffs (included in above)</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Number of Lump Sum payoffs</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td><strong>GRAND TOTAL PROGRAM INCOME RECEIVED – ALL SOURCES</strong></td>
<td><strong>$61,191.45</strong></td>
</tr>
</tbody>
</table>

See attached Program Income Reconciliation report for both HOME and CDBG Programs.
8d. Not applicable. The City of Las Cruces does have one parcel that has been purchased using CDBG funds in PY2009 due to the relocation required under the Jefferson Road street paving project; however, this parcel has not been sold and is being held for future use in creating affordable housing. The use of this parcel for that purpose will require access to city-provided sewer.

9a. through 9d. Not applicable, no prior period adjustments were made or needed

10a. Not applicable, the City of Las Cruces does not have or currently use float-funded activity.
## 10b. and 10c. HOME PORTION

<table>
<thead>
<tr>
<th>Project Names</th>
<th>Loan Type</th>
<th>Term</th>
<th>Balance as of June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rental Projects – Both New and Rehab Projects</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casa de Corazones – 811 Project</td>
<td>Forgivable Loan</td>
<td>45 years</td>
<td>$184,489.80</td>
</tr>
<tr>
<td>Montana Sr. Village II – LIHTC *</td>
<td>Deferred Payment</td>
<td>33 years</td>
<td>$303,019.25</td>
</tr>
<tr>
<td>Mesquite Village - LIHTC</td>
<td>Low Interest Loan</td>
<td>30 years</td>
<td>$102,967.00</td>
</tr>
<tr>
<td>Cactus Gardens – New Rental</td>
<td>Low Interest Loan</td>
<td>30 years</td>
<td>$93,225.78</td>
</tr>
<tr>
<td>Desert Palms – LIHTC/Rental Rehab*</td>
<td>Low Interest Loan</td>
<td>30 years</td>
<td>$425,355.51</td>
</tr>
<tr>
<td>Stone Mountain Place – LIHTC</td>
<td>Deferred Payment &amp; Interest Only Pymt.</td>
<td>45 years</td>
<td>$419,115.54</td>
</tr>
<tr>
<td>Alta Tierra Apts. - LIHTC/Rental Rehab*</td>
<td>Low Interest Loan (Partial Int Only Pymt)</td>
<td>45 years</td>
<td>$266,565.73</td>
</tr>
</tbody>
</table>

### Home Rehabilitation

<table>
<thead>
<tr>
<th>Loan Type or Subtypes</th>
<th># of Loans Outstanding</th>
<th>Term</th>
<th>Principal Balance (as of June 30, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Interest - #=</td>
<td>20 to 30 years</td>
<td>$120,254.52</td>
<td></td>
</tr>
<tr>
<td>Deferred Payment Loan (0% interest, due upon sale or transfer) - #=</td>
<td>N/A</td>
<td>$85,382.90</td>
<td></td>
</tr>
<tr>
<td>Deferred Payment Loan (0% interest, with expiration dates) - #=</td>
<td>Less than 10 years</td>
<td>$0.00</td>
<td></td>
</tr>
<tr>
<td>Grants – with due dates, forgiven with time - #=</td>
<td>Less than 10 years</td>
<td>$1,475.92</td>
<td></td>
</tr>
</tbody>
</table>

### CDBG PORTION

<table>
<thead>
<tr>
<th>Project Types</th>
<th>Loan Type or Subtypes</th>
<th># of Loans Outstanding</th>
<th>Term</th>
<th>Principal Balance (as of June 30, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Rehabilitation</td>
<td>Low Interest Loans</td>
<td>50</td>
<td>20 to 25 yrs.</td>
<td>$631,181.84</td>
</tr>
<tr>
<td>DPL (0% Interest – due on sale or transfer)</td>
<td>34</td>
<td>N/A</td>
<td>$1,182,760.39</td>
<td></td>
</tr>
<tr>
<td>Grants – with due dates/foregiven with time</td>
<td>42</td>
<td>0 to 29 yrs.</td>
<td>$255,103.06</td>
<td></td>
</tr>
</tbody>
</table>

* Only a portion of the interest is paid, with the remaining interest compounding annually to the principal.

### 10d.

No loans were written off in PY 2012. Five (5) Home Rehabilitation loans in default were filed on by the City Attorney’s Office. All were paid off except one and that is in process. The loans are in default due to the owner no longer occupying the home, the homeowner is deceased, or non-payment of taxes and insurance.

### 10e.

See 8d. above.
11a. through 11d. Not applicable, the City does not use lump sum agreements for the CDBG Program.

12a. Home Rehabilitation Program: - Three (3) home rehab projects and six (6) mobile home ramp installations.

12b. Not including Program Administrative expenses, PY2012 saw the expenditure of $163,082.17 for home rehabilitation project and $27,051.33 for the mobile home ramp installations. These funds were from PY2010-2012 unexpended balances.

12c. None/Not applicable.

13a. Not applicable, the City of Las Cruces does not have any HUD-approved Neighborhood Revitalization Strategies.

**Antipoverty Strategy**

1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.

Program Year 2 CAPER Antipoverty Strategy response:

1. The low incomes of many citizens of Las Cruces have left them with insufficient means for decent, affordable living. The immediate goal is to ensure services are provided throughout the City that addresses this issue. The City is cognizant of the needs of those living in poverty. Its strategy is to address the issue of poverty by supplementing resources to ensure an acceptable standard of living, and this will continue to be done through a number of programs and goals. These programs and goals include: home rehabilitation for low-income families who cannot afford to maintain their homes and who would be in danger of losing them, and funding and support of other types of services (primarily CDBG Public Services) for low-income persons (primarily presumed benefit groups). All of these activities support housing or social service needs so that low-income families and persons can use their limited resources for other living requirements.

The City has undertaken additional efforts to assist with reducing the number of poverty level families. This includes the use of EDI grants (previously completed), the use of Health Care funds to area non-profits, and Continuum of Care, especially those programs that provide permanent supportive housing efforts.

**NON-HOMELESS SPECIAL NEEDS**

**Non-homeless Special Needs**

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).

Program Year 2 CAPER Non-homeless Special Needs response:

1. None/Not applicable for PY 2011.
Specific HOPWA Objectives

*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Overall Assessment of Relationship of HOPWA Funds to Goals and Objectives
   Grantees should demonstrate through the CAPER and related IDIS reports the progress they are making at accomplishing identified goals and objectives with HOPWA funding. Grantees should demonstrate:
   a. That progress is being made toward meeting the HOPWA goal for providing affordable housing using HOPWA funds and other resources for persons with HIV/AIDS and their families through a comprehensive community plan;
   b. That community-wide HIV/AIDS housing strategies are meeting HUD’s national goal of increasing the availability of decent, safe, and affordable housing for low-income persons living with HIV/AIDS;
   c. That community partnerships between State and local governments and community-based non-profits are creating models and innovative strategies to serve the housing and related supportive service needs of persons living with HIV/AIDS and their families;
   d. That through community-wide strategies Federal, State, local, and other resources are matched with HOPWA funding to create comprehensive housing strategies;
   e. That community strategies produce and support actual units of housing for persons living with HIV/AIDS; and finally,
   f. That community strategies identify and supply related supportive services in conjunction with housing to ensure the needs of persons living with HIV/AIDS and their families are met.

2. This should be accomplished by providing an executive summary (1-5 pages) that includes:
   a. Grantee Narrative
      i. Grantee and Community Overview
         (1) A brief description of your organization, the area of service, the name of each project sponsor and a broad overview of the range/type of housing activities and related services
         (2) How grant management oversight of project sponsor activities is conducted and how project sponsors are selected
         (3) A description of the local jurisdiction, its need, and the estimated number of persons living with HIV/AIDS
         (4) A brief description of the planning and public consultations involved in the use of HOPWA funds including reference to any appropriate planning document or advisory body
         (5) What other resources were used in conjunction with HOPWA funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other individuals or organizations
         (6) Collaborative efforts with related programs including coordination and planning with clients, advocates, Ryan White CARE Act planning bodies, AIDS Drug Assistance Programs, homeless assistance programs, or other efforts that assist persons living with HIV/AIDS and their families.
      ii. Project Accomplishment Overview
(1) A brief summary of all housing activities broken down by three types: emergency or short-term rent, mortgage or utility payments to prevent homelessness; rental assistance; facility based housing, including development cost, operating cost for those facilities and community residences

(2) The number of units of housing which have been created through acquisition, rehabilitation, or new construction since 1993 with any HOPWA funds

(3) A brief description of any unique supportive service or other service delivery models or efforts

(4) Any other accomplishments recognized in your community due to the use of HOPWA funds, including any projects in developmental stages that are not operational.

iii. Barriers or Trends Overview
(1) Describe any barriers encountered, actions in response to barriers, and recommendations for program improvement
(2) Trends you expect your community to face in meeting the needs of persons with HIV/AIDS, and
(3) Any other information you feel may be important as you look at providing services to persons with HIV/AIDS in the next 5-10 years

b. Accomplishment Data
i. Completion of CAPER Performance Chart 1 of Actual Performance in the provision of housing (Table II-1 to be submitted with CAPER).
ii. Completion of CAPER Performance Chart 2 of Comparison to Planned Housing Actions (Table II-2 to be submitted with CAPER).

Program Year 2 CAPER Specific HOPWA Objectives response:

1a. through 2b.ii. Not applicable as the City of Las Cruces is not a HOPWA entitlement community.

OTHER NARRATIVE

Include any CAPER information that was not covered by narratives in any other section.

Program Year 2 CAPER Other Narrative response:

Section 3:
See the Section 3 Report for PY2012 as an attachment, along with all other tables and IDIS reports for detailed information.

Fair Housing:
The City provided training to the 225 new employees hired during PY2012. This is part of our overall philosophy that education of fair housing begins with our internal staff, whereby they can advise citizens of the potential issues as part of their regular job-related interactions. Further, all employees have the potential to face fair housing issues in their personal lives or may know of friends and family members that may experience potential fair housing discrimination. City staff, with the assistance of an intern from New Mexico State University, completed Fair Housing
research for an update to the City’s Fair Housing ordinance. It is anticipated that City Council will approve the update/amendment to the ordinance in October 2013.

Additionally, the CDBG program staff dedicated 10% of their time to fair housing activities, generally for citizen inquiry and referral purposes.