

ADOPTION OF FY 2012/13 ACTION PLAN FOR THE USE OF U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FUNDS May 8, 2012

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and/or rehabilitate at least twenty (20) dedicated affordable rental units, and abate substandard housing conditions in at least 318 housing units. The City will continue with assistance for homebuyers through HUD's Neighborhood Stabilization Program and a CalHOME grant.

Public Services and Emergency Service Grants: To prepare this Action Plan, staff issued a Request for Proposals to 50 organizations, of which 21 responded. Attachment No. 3 summarizes their proposed programs and budgets and staff's analysis and funding recommendations. Funding is recommended for seven (7) programs. This includes three (3) public service programs that will alleviate poverty, improve neighborhoods, and provide a safety net for seniors; and four (4) emergency service programs that will prevent and address homelessness.

Funding in the CDBG public service category is strictly limited by HUD regulatory formula to \$290,818 this year. Requests for funding exceeded that cap, so staff recommends allocating every dollar available.

Neighborhood Improvement: Public facility and infrastructure improvement will be accomplished through funds that have been allocated for the expansion and upgrade of restrooms at the H. Louis Lake Senior Center to make them ADA compliant, and for a power service upgrade to facilities at Atlantis Park for lights, general power, and a splash pad. Staff recommends \$362,667 in HUD funds.

Economic Development: A total of \$1.1 million in new HUD fund allocations are proposed to repay the City's Section 108 loan obligation for earlier investments in the Harbor Boulevard Tourism Corridor.

Program Planning and Administration: Approximately \$392,207 in new CDBG, HOME, and ESG funds is recommended for staff and material costs for program management, project development and monitoring, public communication, HUD reporting, and financial administration, with an additional \$30,265 for associated overhead costs. These allocations are just under the caps allowed by HUD. Staff recommends \$34,932 for the Fair Housing Foundation to help the City fulfill its obligation to affirmatively further fair housing.

Citizen Participation: All HUD citizen participation requirements have been met. Public notices regarding the Draft Action Plan, including an invitation to share comments at this public hearing, were published April 5th and 6th in local English, Spanish, and Vietnamese language newspapers for a 32-day public comment period, exceeding HUD's 30-day minimum.

FINANCIAL IMPACT

The proposed 2012-13 Action Plan will allow the City to access an estimated \$2,637,966 in new entitlement grants from HUD and \$2,449,728 in unexpended

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previous year's funds. The allocation of HUD funds effectively leverages competitive grants, homeowner's rehabilitation contributions, and the City's General Funds.

RECOMMENDATION

Staff recommends that the City Council conduct the public hearing, accept comments, and following discussion:

- Approve the 2012-13 Action Plan for the Use of HUD Funds, and;
- Authorize the City Manager to negotiate and execute related documents and agreements. Some project-specific agreements may be brought before City Council again.



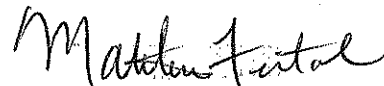
SUSAN EMERY
Community Development Director



By: Allison Mills
Neighborhood Improvement Manager

- Attachment 1: Draft 2012-13 Action Plan for the Use of HUD Funds
Attachment 2: Summary of Proposed 2012-13 Action Plan Resources
Attachment 3: Proposed 2012-13 Action Plan Activities, Outcomes, and Funding

Approved for Agenda Listing



Matthew Fertal
City Manager

Resources

This Action Plan delineates the City of Garden Grove's uses of the Fiscal Year (FY) 2012-2013 funds allocated by HUD:

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)
- Emergency Solutions Grant (ESG)

Funding Estimates

The City expects to utilize up to \$5,087,694 from these funding sources during 2012-13, as outlined in Table 5-1. In addition to \$2,637,966 estimated in new HUD grants, the City will utilize approximately \$2,449,728 in prior year funds that were either reprogrammed or that will be carried forward into FY 2012-13 on funded projects that are not yet complete. As with all federally funded projects, funds must be used in accordance with all applicable HUD and federal regulations.

Table 5-1: Anticipated HUD Resources for FY 2012-13	
Funding Source	Funding Available
Community Development Block Grant (CDBG)	
2012-13 Entitlement Grant	\$1,938,790
Unexpended and unallocated prior year's funds	\$752,433
Total CDBG	\$2,691,223
HOME Investment Partnership Grant (HOME)	
2012-13 Entitlement Grant	\$496,221
Unexpended and unallocated prior year's funds	\$1,633,257
Total HOME	\$2,129,478
Emergency Solutions Grant (ESG)	
2012-13 Entitlement Grant	\$202,955
Unexpended and unallocated prior year's funds	\$64,038
Total ESG	\$266,993
Total HUD Funding Resources Available	\$5,087,694

Program income is revenue generated directly from the use of HUD funds, for example, through housing rehabilitation loan repayments. **Unallocated funds** are derived from projects that were completed under budget or projects that were cancelled because there was insufficient interest.

Table 5-5: FY 2012-13 Activities, Outcomes, and Funding

Activity, Description, Outcomes, and Location	Estimated 2011-12 Carry Forward*	New Allocation**	Amount Available in 2012-13	Funding Source	Outcome/ Objective
Affordable Housing Improvement and Rehabilitation					
Senior home improvement grants: Provide 10 home improvement grants for low-income senior homeowners. Citywide.	\$0	\$50,000	\$50,000	CDBG	DH-1
Lead-based paint testing and control grants: Testing of HUD housing rehabilitation projects that may disturb paint, and grants for any needed construction controls. Citywide.	\$0	\$1,500	\$1,500	CDBG	DH-1
Substandard housing code abatement: Inspection and enforcement to abate unsafe or substandard housing, including in at least 218 units in low- and moderate- income areas.	\$245,767	\$93,947	\$339,714	CDBG	SL-1
Code Enforcement: Inspection and enforcement to abate blight and code violations, including in at least 100 properties in low- and moderate- income areas.	\$144,000	\$2,460	\$146,460	CDBG	SL-1
Multi-family housing acquisition and/or rehabilitation: Dedication of at least 20 affordable rental housing units in exchange for financial assistance for developers to acquire and/or rehabilitate properties. Locations to be determined.	\$1,633,257	\$446,599	\$2,079,855	HOME	DH-2
Subtotal	\$2,023,024	\$594,506	\$2,617,529		
Public Services					
Police Special Investigation Gang Suppression Unit: Gang violence prevention, gang probation checks, counseling referrals, and youth truancy intervention, enhancing the safety of at least 1,500 residents in the City's low- and moderate-income neighborhoods.	\$0	\$108,000	\$108,000	CDBG	SL-3
Senior Center: Provide at least 200 seniors with one or more programs at the H. Louis Lake Senior Center on 11300 Stanford Avenue.	\$0	\$161,818	\$161,818	CDBG	SL-1
Community SeniorServ: Provide home delivered meals to 105 unduplicated Garden Grove residents and provide congregate meals to 93 unduplicated clients. Citywide.	\$0	\$21,000	\$21,000	CDBG	SL-1
Subtotal	\$0	\$290,818	\$290,818		

Table 5-5: FY 2012-13 Activities, Outcomes, and Funding

Activity, Description, Outcomes, and Location	Estimated 2011-12 Carry Forward*	New Allocation**	Amount Available in 2012-13	Funding Source	Outcome/ Objective
Emergency Services					
Interval House: Domestic violence shelter support and rapid rehousing services for 10 victims of domestic violence in a confidential location.	\$64,038	\$49,561	\$113,599	ESG	SL-1
Thomas House Temporary Shelter Operations: Supply food, shelter and a full spectrum of life skill resources to approximately 37 homeless families. Of those, 30 families will move to permanent housing and independent living.	\$0	\$60,000	\$60,000	ESG	SL-1
Women's Transitional Living Center: Emergency shelter, support and rapid rehousing services for 110 adult and child victims of domestic violence/trafficking. Also, provide hotline services to 175 adults, provide access to addiction treatment to 40 adults and children, and provide outreach advocacy for 1,200 adults and children.	\$0	\$66,870	\$66,870	ESG	SL-1
OC Partnership: Provide Homeless Management Information System (HMIS), also known as Client Management Information System (CMIS), training and technical support services.	\$0	\$6,500	\$6,500	ESG	SL-1
Subtotal	\$64,038	\$182,931	\$246,969		
Neighborhood Improvement					
Senior Center Restrooms: Provide for the expansion and upgrade of the restrooms at the H. Louis Lake Senior Center to make the restrooms ADA compliant.	\$327,667	\$0	\$327,667	CDBG	SL-1
Park Improvements: Upgrade power service to park facilities at Atlantis Park for lights, general power, splash pad; including new main panel, new subpanel, and new wire.	\$35,000	\$0	\$35,000	CDBG	SL-1
Subtotal	\$362,667	\$0	\$362,667		
Economic Development					
Section 108: Repayment of HUD Section 108 loan for Harbor Boulevard investments that collectively created 1,200 jobs.	\$0	\$1,112,307	\$1,112,307	CDBG	EO-1
Subtotal	\$0	\$1,112,307	\$1,112,307		

FY 2012-13 Action Plan

Table 5-5: FY 2012-13 Activities, Outcomes, and Funding

Activity, Description, Outcomes, and Location	Estimated 2011-12 Carry Forward*	New Allocation**	Amount Available in 2012-13	Funding Source	Outcome/ Objective
Program Planning and Administration					
Fair Housing Foundation: Assist 20 households with discrimination investigations and 450 unduplicated households seeking to address other housing issues, fulfilling the City's commitment to affirmatively further fair housing. Community-wide	\$0	\$34,932	\$34,932	CDBG	DH-1
Program administration: Planning and public participation; contract design, management, and monitoring; financial administration; and HUD communication to administer the City's CDBG, HOME, and ESG programs.	\$0 \$0 \$0	\$322,561 \$49,622 \$20,024	\$322,561 \$49,622 \$20,024	CDBG HOME ESG	
Municipal support services: City indirect expenses in support of HUD-funded programs by all Departments.	\$0	\$30,265	\$30,265	CDBG	
Subtotal	\$0	\$457,404	\$457,404		
TOTAL, all activities and funds	\$2,449,729	\$2,637,966	\$5,087,694	All	

*Carry forward funds include unexpended committed funds from previous program years and unallocated prior year funds reprogrammed to this activity.

**New allocations include HUD's new grant funds.