



APPROVAL OF SUBSTANTIAL AMENDMENT NO. 1 TO 2010-15 CONSOLIDATED PLAN AND 2013-14 ANNUAL ACTION PLAN WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR HOME FUNDS

June 25, 2013

Page 2

Choice Voucher Program. The City's TBRA program will subsidize the difference between 30 percent of the household's adjusted monthly income and the City established rent limit. Tenant selection will be based upon very low- and extremely low-income Garden Grove households, which is a high priority need population who are in jeopardy of losing their housing. Like the Section 8 program, the Housing Authority will make payments directly to property owners on behalf of approximately 180 eligible families annually.

HUD rules require all programs not previously identified in the current Consolidated Plan or current Annual Action Plan to go through a public participation process. This Public Hearing allows for input from the community on the proposed funding. The Public Hearing notice was published in local English, Vietnamese, and Spanish language newspapers for a 30-day public comment period commencing May 24, 2013. On June 3, 2013, the Garden Grove Neighborhood Improvement and Conservation Commission held a Public Hearing to consider the proposed substantial amendment.

FINANCIAL IMPACT

The reallocation of HOME funds will have no impact on the General Fund. The HOME funds that will be used to fund the TBRA program were originally budgeted for Multifamily Housing Acquisition and/or Rehabilitation. Funding the TBRA program will fill a Section 8 funding reduction and not impact any planned multifamily acquisition and/or rehabilitation projects.

RECOMMENDATION

Staff recommends that the City Council:

- Conduct the public hearing; accept comments; and
- Approve Substantial Amendment No. 1 to the City of Garden Grove's 2010-15 Consolidated Plan and Fiscal Year 2013-14 Annual Action Plan.

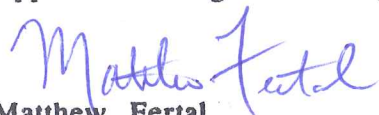


SUSAN EMERY  
Community Development Director



By: Tom Ferch  
Senior Program Specialist

**Approved for Agenda Listing**



**Matthew Ferial**  
City Manager

Attachment 1: Public Hearing Notice  
Attachment 2: Substantial Amendment Number 1

**NOTICE OF PUBLIC HEARINGS  
NEIGHBORHOOD IMPROVEMENT AND CONSERVATION COMMISSION  
AND  
GARDEN GROVE CITY COUNCIL**

**PUBLIC COMMENT PERIOD ON PROPOSED SUBSTANTIAL  
AMENDMENTS NUMBER ONE TO THE  
2013-2014 HOUSING AND COMMUNITY DEVELOPMENT ACTION PLAN  
AND 2010-2015 CONSOLIDATED PLAN**

NOTICE IS HEREBY GIVEN that the City of Garden Grover (City) intends to substantially amend its Five Year Consolidated Plan (FY 2010-2015), and 2013-2014 Action Plan, for use of HUD funds to provide a HOME funded Tenant-Based Rental Assistance Program. The use of HOME funds for tenant-based rental assistance is an essential element of the City's Consolidated Plan for maintaining and expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.

**OPPORTUNITY FOR PUBLIC COMMENT**

From May 24, 2013 through June 25, 2013, the draft Substantial Amendment Number One to the Fiscal Year 2013-2014 Annual Action Plan and 2010-2015 Consolidated Plan will be available for public review during regular business hours at the Community Development Department, located in City Hall, at 11222 Acacia Parkway, Garden Grove, CA 92840. Following adoption, the amended Annual Action Plan and 2010-2015 Consolidated Plan will be submitted to HUD and will remain available for public review throughout the program year.

The public is invited to comment on the proposed Amendment for a 30-day public comment period from May 24, 2013 through June 25, 2013. To submit comments, please contact Tom Ferch at (714) 741-5330, 800-735-2929 (TDD), or [tomfe@garden-grove.org](mailto:tomfe@garden-grove.org). The public is also invited to participate in Public Hearings before the Neighborhood Improvement and Conservation Commission (NICC) on June 3, 2013, at 6:30 p.m. and the City Council on June 25, 2013, at 6:30 p.m. when the Garden Grove City Council will consider adoption of the Amendment. The City Council and NICC both meet in the Community Meeting Center, located at 11300 Stanford Avenue, Garden Grove.

/s/ Kathleen Bailor, CMC  
City Clerk

Date: May 20, 2013  
Publish: May 23, 2013



# SUBSTANTIAL AMENDMENT NUMBER ONE TO THE 2010-2015 CONSOLIDATED PLAN FOR THE USE OF HOME PROGRAM FUNDS

The following language should be inserted into the 2010-2015 Consolidated Plan Chapter 4 as indicated below:

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*Insert changes below on pages 4-3 and 4-4:*

Garden Grove Housing Authority

The Garden Grove Housing Authority provides rental subsidies for eligible low-income (50 percent MFI) families. The rental subsidies are funded through a Section 8 Rental Assistance Program and a HOME program Tenant Based Rental Assistance (TBRA) program, which are both funded by federal grants through the Department of Housing and Urban Development. The Housing Authority provides assistance to over 2,300 low-income families. The funding level for these programs are determined annually by Congress. Currently funding is approximately \$26 million per year.

The Garden Grove Housing Authority also administers a Family Self-Sufficiency Program, which assists housing participants in achieving economic self-sufficiency through education, training and employment. Approximately 292 very-low income families are involved in the program, which currently is funded at approximately \$94,000 per year.

*Insert changes below on pages 4-11 and 4-12:*

Priority H-4: Provide Rental Assistance to Extremely Low- and Low-Income Renters to Alleviate Rental Cost Burden

Program 6A: Section 8 Housing Choice Voucher Program

Under the Section 8 Housing Choice Voucher (HCV) program, low-income families receive rental assistance in the form of a voucher. Subsidy payments are made by the Garden Grove Housing Authority to property owners on behalf of the family. The Garden Grove Housing Authority has total of 2,337 households in Voucher Programs in 2010, with 282 applicants on the waiting list. Of those on the waiting list, 75 percent are extremely low income.

Program 6B: Tenant Based Rental Assistance (TBRA) Program

Under the TBRA program, low-income families receive rental assistance in the form of a voucher. Subsidy payments are made by the Housing Authority to property owners on behalf of the family. The Garden Grove Housing Authority will provide roughly 180 households in the Voucher Program with TBRA vouchers.

**Funding: HOME TBRA**

**Five-Year Objective: Assist approximately 180 households annually.**

**Performance Measure/Outcome: Decent Housing/Affordability (DH-2)**

*Insert changes below on pages 4-14*

## Community Development Priorities and Specific Objectives

### Statement of Need

The overall community development goal for the Consolidated Plan is to foster a suitable living environment for low- and moderate-income households. Consistent with this overall goal, the City has established specific community development priorities and objectives for the next five years. The priorities were identified based on evaluation of various avenues of input including meetings with service providers and residents, interviews with City staff, and the data collected for the needs assessment discussed in Chapter 3: Community Needs Assessment. A priority ranking has been assigned to each community development category for purposes of using CDBG HOME and ESG funds, as discussed above. The estimated funding for activities to address high priority needs are general estimates only and predicated on the available funds allocated to the City by the CPD Programs. The City's community development priorities for the five-year Consolidated Plan are identified in Table 4-4.

Table 4-4: Five-Year Community Development Priorities and Objectives

Priority Community Development Needs	Priority Level	Quantified Objectives	Estimated Dollars to Address Unmet Priority Needs
<b>Public Service Needs (People)</b>			
Homeless Services	High	1,250 persons	\$2.1 Million (CDBG)
Fair Housing	High	2,500 persons	
Senior Services	High	2,000 persons	
Handicapped Services	Medium		\$2,500,00 (HOME)
Youth Services	Medium		
Child Care Services	Medium		
Transportation Services	Medium		

Table 4-4: Five-Year Community Development Priorities and Objectives

Priority Community Development Needs	Priority Level	Quantified Objectives	Estimated Dollars to Address Unmet Priority Needs
Substance Abuse Services	Medium		\$542,000 (ESG)
Employment Training	Medium		
Health Services	Low		
Crime Awareness	High	7,500 persons	
Graffiti Removal	Medium		
Other Public Service Needs	Medium		
Lead Hazard Screening	High		
<b>Public Facility/Infrastructure Needs (Projects)</b>			
Senior Centers	Medium		\$ 1.9 Million (CDBG Funds)
Handicapped Centers	Low		
Homeless Facilities	Medium		
Youth Centers	Medium		
Childcare Centers	Medium		
Health Facilities	Low		
Neighborhood Facilities/Libraries	Medium		
Parks and/or Recreation Facilities	High	2 projects	
Parking Facilities	Low		
Fire Stations and Equipment	High	1 project	
Non-residential Historic Preservation	Low		
Other Public Facility Needs	High	2 projects	
Water/Sewer Improvements	Medium		
Street Improvements (include ADA improvements)	High	2 projects	
Sidewalks (include ADA improvements)	Medium		
Solid Waste Disposal Improvements	Medium		
Flood Drain Improvements	Medium		
Other Infrastructure Needs	Medium		
<b>Economic Development</b>			
ED Assistance to For-Profits (businesses)	Medium		\$ 5.6 Million (CDBG Funds)
ED Technical Assistance (businesses)	Medium		
Micro-Enterprise Assistance (businesses)	Medium		
Rehab; Publicly or Privately Owned Commercial/Industrial (projects)	Medium		
C/I* Infrastructure Development (projects)	Medium		
Section 108 Loan Repayment	High		
Other C/I Improvements (projects)	Medium		
<b>Code Enforcement</b>			
Code Enforcement	High	500 inspections	\$ 1.5 million (CDBG Funds)
<b>Planning/Administration</b>			
Planning/Administration (CDBG, HOME, and ESG)	High		\$3.4 million (CDBG, HOME,

Table 4-4: Five-Year Community Development Priorities and Objectives

Priority Community Development Needs	Priority Level	Quantified Objectives	Estimated Dollars to Address Unmet Priority Needs and ESG Funds)

*Insert changes below on page 4-22:*

Table 4-6: Summary of Specific Housing and Community Development Five-Year Objectives

Specific Objectives		Performance Measure/Outcome	Expected Units	Funding Source
<b>Housing</b>				
Program 1	Provide rehabilitation through the acquisition/rehabilitation of rental properties	DH-2	100	HOME
Program 2	Provide home improvement grants to seniors	DH-1	50	CDBG
Program 4	Provide first-time homebuyer assistance to low- and moderate-income households with remaining ADDI funds.	DH-2	1	ADDI (Carry forward from previous years)
Program 5	Promote and facilitate the construction of new affordable housing units for low- and moderate-income households	DH-2	167	Housing Set-Aside Funds
Program 6A	Provide rental assistance to extremely low- and very low-income households	DH-2	2,337	HUD Section 8 Vouchers
Program 6B	<u>Provide rental assistance to extremely low- and very low-income households</u>	<u>DH-2</u>	<u>180</u>	<u>HOME TBRA Vouchers</u>
Program 7	Provide lead based paint information and testing to all applicants seeking rehabilitation assistance through the Senior Home Improvement Grant Program	DH-1	50	CDBG
Program 8	Provide funding to a fair housing service provider for fair housing education, counseling, enforcement, and landlord, tenant resolution for Garden	SL-1	2,500	CDBG



Table 4-6: Summary of Specific Housing and Community Development Five-Year Objectives


Specific Objectives		Performance Measure/Outcome	Expected Units	Funding Source
	Grove residents			
<b>Public Facilities and Infrastructure</b>				
Program 11	Provide street improvements in low- and moderate-income areas	SL-1	2	CDBG
Program 12	Provide adequate fire safety services in low- and moderate-income areas through acquisition of land and equipment upgrades for a new fire station at the east side of the City	SL-1	1	CDBG
Program 13	Provide maintenance and upgrade of parks and recreation facilities that serve low- and moderate-income areas	SL-1	2	CDBG
Program 14	Provide maintenance and rehabilitation of community facilities that serve special needs groups	SL-1	2	CDBG
<b>Public Services</b>				
Program 9	Provide support services for seniors	SL-1	2,000	CDBG
Program 10	Reduce gang, drug and illegal activity within low- and moderate-income areas	SL-3	7,500	CDBG
<b>Economic Development</b>				
Program 15	Repayment of Section 108 Loan	EO-3	N/A	CDBG
<b>Other</b>				
Program 3	Provide code enforcement activities within low and moderate-income neighborhoods to improve quality of life conditions	SL-1	500	CDBG

*Insert changes below on page 4-24:*

### Garden Grove Housing Authority

The Garden Grove Housing Authority (HA) is a division of the City of Garden Grove's Community Development Department. The Garden Grove Housing Authority operates under federal grants received from HUD to provide rental subsidies to low-income families through the Section 8 Housing Choice Voucher and HOME Tenant Based Rental Assistance programs. The program assists over 2,300 families with their monthly rent. The Garden Grove Housing Authority is identified as a High Performing Housing Authority.

## HUD TABLE 3C

 <b>GARDEN GROVE</b>	<b>City Garden Grove Community Development Department HOME Tenant Based Rental Assistance</b>		
<b>Jurisdiction's Name</b>		City of Garden Grove	
<b>Type of Recipient</b>		Local Government	
<b>Consolidated Plan Priority</b>		High	
<b>Project Description</b> The program provides 180 very low- and extremely low-income families with HOME funded Tenant Based Rental Assistance vouchers.			
<b>Location/Target Area</b>		Citywide	
<b>Administrator</b>		Danny Huyhn, Garden Grove Housing Authority 714.741.5154 <a href="mailto:dannyh@ci.garden-grove.ca.us">dannyh@ci.garden-grove.ca.us</a>	
<b>Eligibility</b>		<b>Funding Sources</b>	
<b>HUD Matrix Code</b>	05S	<b>CDBG</b>	0
<b>Eligibility Citation</b>	24 CFR 570.201(e)	<b>HOME</b>	\$2,500,000
<b>National Objective</b>	LMH 570.208(a)(3)	<b>ESG</b>	0
<b>Project ID</b>	26	<b>HOPWA</b>	0
<b>Objective Number</b>	H-4A	<b>Total Formula</b>	\$ 2,500,000
<b>Start Date</b>	July 1, 2013	<b>Prior Year HOME Funds</b>	\$0
<b>End Date</b>	June 30, 2014	<b>Total Funding</b>	\$2,500,000
<b>Performance Measurement</b>			
<b>Objective Category</b>	<input type="checkbox"/> Suitable Living Environment	<input checked="" type="checkbox"/> Decent Housing	
	<input type="checkbox"/> Economic Opportunity	<input type="checkbox"/> NA	
<b>Outcome Category</b>	<input checked="" type="checkbox"/> Availability/Accessibility	<input type="checkbox"/> Affordability	
	<input type="checkbox"/> Sustainability	<input type="checkbox"/> NA	
<b>Performance Indicator</b>		<b>Annual Units</b>	180 persons
Number of persons assisted		<b>Units upon Completion</b>	180 persons
<b>Help the Homeless</b>			
<b>Help the Homeless</b>		No	
<b>Help persons with HIV/AIDS</b>			
<b>Help persons with HIV/AIDS</b>		No	
<b>Help Persons with Special Needs</b>			
<b>Help Persons with Special Needs</b>		No	

# SUBSTANTIAL AMENDMENT NUMBER ONE TO THE FY 2013-14 ACTION PLAN FOR THE USE OF HOME PROGRAM FUNDS

The following language should be inserted into the FY 2013-14  
Action Plan Chapter 5 as indicated below:

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*Insert changes below to Table 5-5 on page 9:*

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Table 5-5: FY 2013-14 Activities, Outcomes, and Funding

Activity, Description, Outcomes, and Location	Estimated 2012-13 Carry Forward*	New Allocation**	Amount Available in 2013-14	Funding Source	Outcome/ Objective
<b>Affordable Housing Improvement and Rehabilitation</b>					
Senior home improvement grants: Provide 10 home improvement grants for low-income senior homeowners. Citywide.	\$25,000	\$0	\$25,000	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.	\$0	\$235,585	\$235,585	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.	\$0	\$176,175	\$176,175	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.	\$0	\$450,000	\$450,000	HOME	DH-2
Tenant Based Rental Assistance: Provide 180 very low- or lower income families with rental assistance through a voucher program operated by the Garden Grove Housing Authority.	\$2,500,000	\$0	\$2,500,000	HOME	DH-2
Subtotal	\$2,525,000	\$861,760	\$3,386,760		
<b>Public Services</b>					
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 2013-14 Activities, Outcomes, and Funding

Activity, Description, Outcomes, and Location	Estimated 2012-13 Carry Forward*	New Allocation**	Amount Available in 2013-14	Funding Source	Outcome/ Objective
<b>Emergency Services</b>					
Interval House: Domestic violence shelter support for 400 Garden Grove victims of domestic violence, and rapid rehousing services for 10 Garden Grove victims of domestic violence in a confidential location.	\$7,647	\$62,059	\$69,706	ESG	SL-1
Mercy House: Armory emergency shelter program provides temporary shelter, food, hygiene and other services to the homeless. Seventy (70) Garden Grove homeless residents will be provided services.	\$0	\$10,000	\$10,000	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, 33 families will move to permanent housing and independent living. In addition, up to 150 Garden Grove individuals will receive homeless prevention case management, financial literacy and other supportive services to prevent eviction and homelessness.	\$0	\$50,000	\$50,000	ESG	SL-1
Women's Transitional Living Center: Emergency shelter, support and rapid rehousing services for 150 Garden Grove adult and child victims of domestic violence/trafficking.	\$0	\$17,838	\$17,838	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	\$7,647	\$146,397	\$154,044		
<b>Neighborhood Improvement</b>					
Fire Station Acquisitions: Acquisitions of parcels to assemble a site for a future fire station. Harbor Blvd.	\$1,000	\$0	\$1,000	CDBG	SL-1

**Table 5-5: FY 2013-14 Activities, Outcomes, and Funding**

Activity, Description, Outcomes, and Location	Estimated 2012-13 Carry Forward*	New Allocation**	Amount Available in 2013-14	Funding Source	Outcome/ Objective
<u>Neighborhood Improvement Campaign</u> : Provide funding for public improvements in designated neighborhoods. Locations to be determined.	\$1,000	\$0	\$1,000	CDBG	SL-1
Subtotal	\$2,000	\$0	\$2,000		
<b>Economic Development</b>					
<u>Section 108</u> : Repayment of HUD Section 108 loan for Harbor Boulevard investments that collectively created 1,200 jobs.	\$300,000	\$845,326	\$1,145,326	CDBG	EO-1
<u>Harbor Blvd. Improvements</u> : Acquisition of 1 to 4 properties on Harbor Blvd. to facilitate new economic development projects that will net at least 50 jobs. Harbor Blvd.	\$1,000	\$0	\$1,000	CDBG	EO-1
Subtotal	\$301,000	\$845,326	\$1,146,326		
<b>Program Planning and Administration</b>					
<u>Fair Housing Foundation</u> : Assist 500 households with fair housing services and 1,000 will be introduced to fair housing programs at outreach events. Community-wide.	\$0	\$34,932	\$34,932	CDBG	DH-1
<u>Program administration</u> : 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	\$324,046 \$50,000 \$11,250	\$324,046 \$50,000 \$11,250	CDBG HOME ESG	
<u>Municipal support services</u> : City indirect expenses in support of HUD-funded programs by all departments.	\$0	\$28,780	\$28,780	CDBG	
Subtotal	\$0	\$449,008	\$449,008		
TOTAL, all activities and funds	\$2,835,647	\$2,593,309	\$5,428,956	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 estimated new grant funds.

*Insert changes below to text on page 16:*

Priority H-4. Provide Rental Assistance to Extremely Low- and Very Low-Income Renters to Alleviate Rental Cost Burden.

Implementing Program H-4A) Section 8 Housing Choice Voucher and HOME Funded Tenant Based Rental Assistance (TBRA) Programs

**Five-Year Goal:** Assist 2,337 households annually.

**2013-2014 Goal:** Assist 2,337 households residing in Garden Grove through Section 8 housing choice voucher or TBRA rental subsidies.

Almost 41 percent of households in Garden Grove rent their homes. In 2010, the fair market rent for a two-bedroom apartment in Orange County was determined by HUD to be \$1,652. The hourly housing wage needed to afford that apartment was \$29.73 per hour, assuming a 40-hour week, 52 weeks per year. For a minimum wage earner to afford that apartment, he or she must work 149 hours per week, 52 weeks per year, or a household must include 3.7 minimum wage earners in order to make the rent affordable.

Therefore, in addition to the City's efforts to increase the supply of affordable housing units described above, the City provides direct assistance to low-income households to reduce their housing cost burden through the Section 8 Housing Choice Voucher and TBRA programs. These vouchers limit the amount that low-income persons pay for their rent and basic utilities to 30 percent of their household income. Only households at 50 percent of median family income or lower may receive vouchers.

Despite the presence of this program, a well-documented need exists for additional affordable rental housing throughout Orange County. The Garden Grove Housing Authority opened the waiting list for its Section 8 Housing Choice Voucher Program in July 2010. The waiting list was opened for one month and the authority received over 17,000 pre-applications. The housing authority currently has 17,000 applicants on the waiting list, and list is closed. Garden Grove maintains 100 percent lease-up of its vouchers to optimize the use of its federal grant and to reduce pressure on the waiting list. To make sure potential beneficiaries are aware of the program, the Housing Authority makes an effort to hire bilingual staff. Staff members proficient in English, Spanish, and Vietnamese interact with the public, tenants, landlords, and community service organizations to promote understanding of Section 8 housing choice vouchers and other Housing Authority programs.

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*Insert changes below to text on page 19:*

## Continuum of Care for the Homeless

Garden Grove follows a comprehensive strategy to address homelessness, which is aligned with the goals of the Continuum of Care, the Emergency Solutions Grants (ESG), HUD and the Ten Year Plan to End Homelessness. This strategy is comprised of activities to address the following three issues:

- Persons At-Risk of Becoming Homeless
- Emergency and Transitional Housing
- Rapid Rehousing

The City will continue to support the Garden Grove Housing Authority and non-profit organizations to preserve and improve the supply of emergency housing, supportive housing, and public services for the homeless and people with special needs. The City will also coordinate on a formal and informal basis with the Continuum of Care and surrounding local jurisdictions, including the cities of Santa Ana and Anaheim, to consult and collaborate the planning, funding, and implementing and evaluating homeless assistance and homelessness prevention programs locally.

The City will address homeless needs primarily through its ESG funds. This year's ESG grant allocation is anticipated to be approximately \$157,647. ESG funds may be used for the operation of emergency and transitional housing; general operating staff; homeless prevention such as emergency rent subsidies and other eviction prevention; rapid rehousing; essential services for homeless or those at-risk of homelessness, such as domestic violence recovery, independent living training, or employment training and placement; emergency or transitional shelter facility development or improvement (unlimited); and program administration. Allocations in accordance with applicable regulation limits are shown in Table 5-6.

The City also mobilizes its Section 8 housing choice voucher and TBRA voucher programs, to the extent possible, to address the needs of homeless individuals and families. During 2012-13, the Garden Grove Housing Authority continued a Memorandum of Understanding with Thomas House Temporary Shelter, and signed a new Memorandum of Understanding with Interval House. The Housing Authority agreed to give homeless families referred by these social service and transitional shelter programs preference for Section 8 and TBRA vouchers to assist them to transition to stable and permanent housing.



*Insert changes below to text on pages 28-29:*

Program Compliance, Monitoring Standards, and Procedures

HUD requires that the City discuss how certain program specific requirements will be addressed during the program year. Actions to address these program specific requirements are identified below.

CDBG

Continuing management of the CDBG program is complex and involves many regulations for which the City already has many procedures and guidelines in place. In compliance with regulations and requirements for this Action Plan found in 24 CFR 91.220(g), the origins of all CDBG funds are illustrated in SF 424 and Table 5-1. The planned uses of all CDBG funds are presented throughout this Chapter in a format and to a level of detail, including location, to facilitate community awareness of how these projects affect the community. Projects are clearly outlined in Table 5-5, the map of project locations in Figure 5-1, the detailed project tables in Appendix C, and more thorough descriptions of program goals and content found throughout the text of this Action Plan in relationship to the relevant Priority Objectives.

The City of Garden Grove's Action Plan has adhered to the CDBG public service cap of 15 percent (\$290,818) of the estimated 2013-14 entitlement grant (\$1,938,790). The City has limited allocation of new CDBG funds for program management, administration, and planning activities to the federal cap of 20 percent (\$387,759) of the estimated 2013-14 entitlement grant. The City does not anticipate undertaking Urgent Need activities in 2013-14. There is no match requirement for CDBG funds.

HOME

Continued program management, administration, and planning of the HOME program will utilize the 10 percent federal cap (\$50,000) of the anticipated annual allocation of \$500,000 for 2013-14.

In 2013-14, the City will use HOME funds for new construction or acquisition with or without rehabilitation of existing multi-family rental housing as described in Priority Objective H-2, and for a Tenant Based Rental Assistance (TBRA) program to provide rental assistance to extremely low- and very low-income renters as described in Priority Objective H-4. HUD guidelines for HOME-funded single-family rehabilitation, housing reconstruction, manufactured housing, refinancing, and conversion of existing structures to or from housing, ~~and tenant based rental assistance (TBRA)~~ are therefore not described here.

So that all HOME project investments in multi-family rental housing projects are eligible, the City will ensure that appropriate affordability covenants are included in its agreements with housing development partners. Staff will continue to take advantage of all local HOME training, paying particular attention to environmental regulations. Rule 24 CFR 92.250 specifies:

**Maximum per-unit subsidy amount:** The amount of HOME funds that the City may invest on a per-unit basis in affordable housing may not exceed the per-unit dollar limits

established under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151[d][3][ii]).

**Subsidy layering:** Before committing funds to a [multi-family housing](#) project, the City will evaluate the project in accordance with guidelines that it has adopted for this purpose and will not invest any more HOME funds, in combination with other governmental assistance, than is necessary to provide affordable housing.

**Match:** Garden Grove consistently exceeds the HOME leveraging goals, which require outside funding of only \$0.25 for each \$1 of HOME funds invested in a project. Evaluating leveraged resources is a standard element of Garden Grove's review process for HOME funding applications. Typically, Garden Grove's private [multi-family housing project](#) partners draw 30 percent or less of their total project budget from HOME funds. The City documents that success in the affordable housing agreements as well as in project files. [For TBRA, the match funds will be taken from the City's existing HOME match credits.](#)

**CHDO participation:** The City recognizes HOME's objective of fostering partnerships with the private sector, nonprofits, and CHDOs. In 2010-11, the City infused HOME funds to assist a CHDO to acquire, rehabilitate and operate affordable rental units. As a result, the City is ahead of HUD's minimum requirements for committing HOME funds to CHDOs. The City also has provided limited technical assistance during monitoring of CHDOs and to organizations intent on becoming CHDOs.

## ESG

The City's compliance with HUD's Emergency Solutions Grant funding category caps is detailed under Priority Objective H-7. In accordance with the federal cap, the City of Garden Grove is limiting the allocation for ESG program administration to 7.5 percent of the estimated 2013-14 entitlement grant of \$150,000, or \$11,250. Garden Grove's ESG allocations comply with ESG program's limits of 60% of the City's total fiscal year grant on street outreach, in combination with emergency shelter activities. The remaining available ESG funds are for Homeless prevention services and rapid rehousing.

The City will meet ESG funding match requirements through the non-federal funds that ESG-contracting partners leverage. This is a condition of Garden Grove contracts with subrecipients, which City staff monitors on a quarterly basis with each performance report and request for reimbursement. In recent years, between volunteer hours, competitive funding and California state grants, as well as private charitable contributions, several of the City's ESG partners have in fact exceeded the \$1:\$1 match requirement.

## Monitoring

To ensure that HUD funds are used effectively and appropriately, the City will continue to conduct a thorough monitoring program of all funded City and sub recipient contracts. Monitoring will include the review of funding applications, performance goals, and contracts, quarterly or semi-annual performance reports or audits, and a two-stage approval process for reimbursement requests.

The purpose of the City's monitoring procedures is to consistently evaluate the following areas: