

ADOPTION OF FY 2014/15 ACTION PLAN FOR THE USE OF U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FUNDS

April 8, 2014

Page 2

the 2010-2015 Consolidated Plan. During 2014-15, HUD funds will address a wide range of Garden Grove housing and community development needs as follows:

Affordable Housing Improvement and Rehabilitation: Utilizing \$3.7 million in HUD funds, the City will rehabilitate ten (10) ownership units, help developers to acquire and/or rehabilitate at least twenty (20) dedicated affordable rental units, help developers to construct at least thirty four (34) dedicated affordable rental units and abate substandard housing conditions in at least 244 housing units.

Public Services and Emergency Service Grants: To prepare this Action Plan, staff issued a Request for Proposals to 66 organizations, of which 16 responded. Attachment No. 3 summarizes their proposed programs and budgets, and staff's analysis and funding recommendations. Funding is recommended for eight (8) programs, which includes three (3) public service programs that will alleviate poverty, improve neighborhoods, and provide a safety net for seniors, and five (5) emergency service programs that will prevent and address homelessness.

Funding in the CDBG public service category is strictly limited by the HUD regulatory formula to \$295,972 this year. Requests for funding exceeded that cap, so staff recommends allocating every dollar available.

Neighborhood Improvement: A small amount of CDBG funds have been allocated to provide funding in the City's "Neighborhood Improvement Neighborhoods."

Economic Development: \$1.1 million in HUD funds is allocated to repay the City's Section 108 loan obligation for earlier investments in the Harbor Boulevard Tourism Corridor.

Program Planning and Administration: \$485,115 in 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 \$30,049 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 February 21, and 28, in local English, Spanish, and Vietnamese language newspapers for a 37-day public comment period, exceeding HUD's 30-day minimum.

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Page 3

FINANCIAL IMPACT

The proposed 2014-15 Action Plan will allow the City to access an estimated \$2.6 million in new entitlement grants from HUD and \$3.3 million in unexpended 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 2014-15 Action Plan for the use of U.S. Department of Housing and Urban Development Funds; and
- Authorize the City Manager to negotiate and execute related documents and agreements. Some project-specific agreements may be brought before City Council for approval.



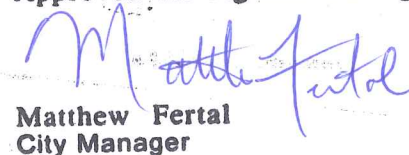
SUSAN EMERY
Community Development Director



By: Allison Mills
Neighborhood Improvement Manager

- Attachment 1: Draft 2014-15 Action Plan for the Use of HUD Funds
Attachment 2: Summary of Proposed 2014-15 Action Plan Resources
Attachment 3: Proposed 2014-15 Action Plan Activities, Outcomes, and Funding

Approved for Agenda Listing



Matthew Fertal
City Manager

Attachment 2:
Summary of Proposed 2014-15 Action Plan Resources

The City expects to utilize approximately \$5.9 million from these funding sources during 2014-15. As with all federally funded projects, funds must be used in accordance with all applicable HUD and federal regulations.

Anticipated HUD Resources for FY 2014-15	
Funding Source	Funding Available
Community Development Block Grant (CDBG)	
2014-15 Entitlement Grant	\$1,973,147
Unexpended and unallocated prior years' funds	\$62,557
Total CDBG	\$2,035,704
HOME Investment Partnership Grant (HOME)	
2014-15 Entitlement Grant	\$488,187
Program Income	\$100,000
Unexpended and unallocated prior years' funds	\$3,119,800
Total HOME	\$3,707,987
Emergency Solutions Grant (ESG)	
2014-15 Entitlement Grant	\$159,556
Total ESG	\$159,556
Total HUD Funding Resources Available	\$5,903,247

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

Proposed 2014-15 Action Plan Activities, Outcomes, and Funding

Activity, Description, Outcomes, and Location	Estimated 2013-14 Carry Forward*	New Allocation**	Amount Available in 2014-15	Funding Source	Outcome/ Objective
Affordable Housing Improvement and Rehabilitation					
Senior home improvement/neighborhood improvement grants: Provide 10 home improvement grants for low-income senior homeowners. Citywide.	\$0	\$28,509	\$28,509	CDBG	DH-1
Substandard housing code abatement: Inspection and enforcement to abate unsafe or substandard housing, including in at least 244 units in low- and moderate- income areas.	\$59,557	\$0	\$59,557	CDBG	SL-1
Promote New Construction of Affordable Housing: Facilitate predevelopment of new housing projects that will include 34 affordable units.	\$2,751,258	\$34,369	\$2,785,627		
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.	\$100,000	\$0	\$100,000	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.	\$295,000	\$405,000	\$700,000	HOME	DH-2
Subtotal	\$3,205,815	\$547,924	\$3,753,739		
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	\$112,894	\$112,894	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	\$163,078	\$163,078	CDBG	SL-1
Community SeniorServ: Provide raw food for congregate meals to 400 unduplicated clients. Citywide.	\$0	\$20,000	\$20,000	CDBG	SL-1
Subtotal	\$0	\$295,972	\$295,972		

Proposed 2014-15 Action Plan Activities, Outcomes, and Funding

Activity, Description, Outcomes, and Location	Estimated 2013-14 Carry Forward*	New Allocation**	Amount Available in 2014-15	Funding Source	Outcome/ Objective
Emergency Services					
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.	\$0	\$62,714	\$62,714	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	\$41,875	\$41,875	ESG	SL-1
Women's Transitional Living Center: Emergency shelter, support and rapid rehousing services for 160 Garden Grove adult and child victims of domestic violence/trafficking.	\$0	\$18,000	\$18,000	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	\$7,500	\$7,500	ESG	SL-1
Subtotal	\$0	\$140,089	\$140,089		
Neighborhood Improvement					
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
Neighborhood Improvement Campaign: 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		

Proposed 2014-15 Action Plan Activities, Outcomes, and Funding

Activity, Description, Outcomes, and Location	Estimated 2013-14 Carry Forward*	New Allocation**	Amount Available in 2014-15	Funding Source	Outcome/ Objective
Economic Development					
Section 108: Repayment of HUD Section 108 loan for Harbor Boulevard investments that collectively created 1,200 jobs.	\$0	\$1,173,991	\$1,173,991	CDBG	EO-1
Harbor Blvd. Improvements: 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	\$1,000	\$1,173,991	\$1,174,991		
Program Planning and Administration					
Fair Housing Foundation: 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
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	\$329,648 \$48,818 \$11,967	\$329,648 \$143,500 \$11,967	CDBG HOME ESG	
Municipal support services: City indirect expenses in support of HUD-funded programs by all departments.	\$0	\$30,049	\$30,049	CDBG	
Subtotal	\$94,682	\$455,414	\$550,096		
TOTAL, all activities and funds	\$3,303,497	\$2,613,390	\$5,916,887	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.					