

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Matthew J. Fertal	From:	Susan Emery
Dept:	City Manager	Dept:	Community Development
Subject:	APPROVAL OF THE FY 2014-15 ACTION PLAN FOR THE USE OF U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FUNDS	Date:	April 22, 2014

OBJECTIVE

The purpose of this memorandum is to request that the City Council approve the 2014/15 Action Plan for the Use of HUD Funds.

BACKGROUND

On April 8, 2014 the City Council conducted a public hearing to collect comments on the proposed FY 2014-15 Action Plan. At that meeting, representatives from Fair Housing Council of Orange County (FHCOC) and Fair Housing Foundation (FHF) made presentations on their qualifications to provide fair housing services to the residents and property owners of Garden Grove. For the past two years, FHF has provided these fair housing services. Council Member Phan requested that this item be continued until the April 22, 2014 meeting so that he could meet with staff to gain a better understanding of the issue.

DISCUSSION

On April 14, 2014, staff met with Council Member Phan and shared the following information:

- FHCOC provided fair housing services to Garden Grove for many years.
- In 2011, communication between FHCOC staff and City staff became virtually nonexistent. Phone calls, voice mails and e-mails made by City staff to FHCOC went unanswered. This lack of communication made administering the fair housing program difficult, time consuming and resulted in a seven month delay in executing the Agreement and a four month delay in processing invoices.
- In 2012, staff asked for recommendations from other cities to find another fair housing service provider that would better fit the City's needs. FHF was highly recommended, and staff requested FHF submit a proposal to provide fair housing services.

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- In 2012, the City awarded the fair housing contract to FHF.

After FHF was awarded the contract, Staff met twice with Ms. Cato, CEO of FHCOC, to discuss why FHCOC had not been awarded the contract. In both meetings, staff expressed its dissatisfaction with FHCOC's lack of communication with staff. Staff also requested that Ms. Cato submit letters of recommendation from the cities of Anaheim and Santa Ana (two of FHCOC's clients) with any future application. To this day, Ms. Cato has not addressed the communication concerns, nor have the requested letters been submitted.

Over the past six years, 10 other Orange County cities (Buena Park, Costa Mesa, Fullerton, Huntington Beach, Irvine, Mission Viejo, Newport Beach, Orange, San Clemente and Tustin) have also grown dissatisfied with FHCOC. Each city sought out FHF to provide fair housing services. The reasons given by these Cities for the change include the following:

- Lack of communication,
- Overzealous enforcement,
- Performance issues,
- Incomplete reports, and
- Lack of presence in the City.

Attached is an analysis comparing FHCOC's performance in 2011 with FHF's performance in 2012 (Attachment 1). During the past two years of service, staff has found that FHF provided substantially superior service to the residents and property owners of Garden Grove than the service provided by FHCOC.

The enhanced services provided by FHF include:

- Workshops and walk-in clinics in Garden Grove (2-3 per month),
- Works collaboratively with City staff,
- Established relationships with our Family Resource Centers,
- Excellent communication,
- Works quickly to address concerns raised by staff,
- Hired a Vietnamese speaking receptionist to answer incoming phone calls and attend all Garden Grove workshops, and
- Ability to communicate telephonically in over 50 different languages.

#### FINANCIAL IMPACT

The City's HUD funding totals \$5.9 million. The proposed contract for fair housing services is a small portion of those funds, approximately \$35,000. In the alternative, FHCOC's proposal is for \$28,000.

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During the April 8, 2014, Public Hearing, Mr. Khoi Pham (a current Board Member of FHCOC) addressed City Council stating that without the City's contract, FHCOC "may collapse". Based on this information, Staff considers that FHCOC could be considered "high risk".

According to HUD OMB Circular Part 85, Subpart B:

"A grantee or subgrantee may be considered high risk if an awarding agency determines that a grantee or subgrantee:

(2) Is not financially stable, and

(5) Is otherwise not responsible; and if the awarding agency determines that an award will be made, special conditions and/or restrictions shall correspond to the high risk condition and shall be included in the award."

Staff has determined that FHF has been a superior service provider and recommends the fair housing contract be awarded to FHF.

RECOMMENDATION

Staff recommends that the City Council:

- Approve the 2014-15 Action Plan for the use of U.S. Department of Housing and Urban Development Funds, including awarding the fair housing services contract to the Fair Housing Foundation; 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.)



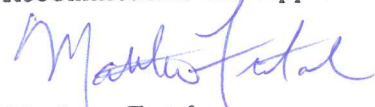
SUSAN EMERY  
Community Development Director



By: Allison Mills  
Neighborhood Improvement Manager

Attachment: Comparison Chart

**Recommended for Approval**



**Matthew Feral**  
City Manager

**Fair Housing Council of OC  
(Last year providing services)**

\*Award letter & agreement issued July 6, 2011

\*Executed agreement on February 9, 2012

**1st Quarter:**

\*1 discrimination case

\*Responded to 97 inquiries addressing other housing issues

Community Meeting 1  
 Fair Housing Management Training 4  
 Community Presentation 2  
 Informational Booth 4  
 Tenant's Rights Workshop 1  
 Tester Training Session 1

\*Only 2 of above listed trainings were conducted in GG

**2nd Quarter:**

\*Responded to 67 inquiries addressing other housing issues

Community Meeting 1  
 Fair Housing Management Training 4  
 Community Presentation 3  
 Informational/Resource Booth 2  
 Tenant's Rights Workshop 0  
 Tester Training Session 1  
 Fair Housing Presentation 1  
 Foreclosure Prevention Workshop 1

\*Only 2 of above listed trainings were conducted in GG

**Fair Housing Foundation 2012-13  
(First year providing services)**

\*Award letter & agreement issued May 21, 2012

\*Executed agreement on August 13, 2012

**1st Quarter:**

\*8 discrimination cases

\*Responded to 90 inquiries addressing other housing issues

\*Assisted 9 households with fair housing counseling  
 Community Meetings 1  
 Literature Distribution 1  
 Press Releases/PSA's 1  
 Management Trainings 1

\*ALL of above listed trainings were conducted in GG

**2nd Quarter:**

\*3 discrimination cases

\*Responded to 73 inquiries addressing other housing issues

\*Assisted 5 households with fair housing counseling  
 Community Meetings 2  
 Literature Distribution 8  
 Press Releases/PSA's 5  
 Management Trainings 1  
 Walk-In Clinics 3  
 Tenant Workshops 1  
 Landlord Workshop 1

\*ALL of above listed trainings were conducted in GG

**3rd Quarter:**

\*2 discrimination cases

\*Responded to 70 inquiries addressing other housing issues

Community Meeting/Event 3  
Fair Housing Management Training 4  
Community Presentation 0  
Informational/Resource Booth 2  
Tenant's Rights Workshop 0  
Tester Training Session 0  
Fair Housing Presentation/Workshop 1  
Staff Education/Training 1  
Television Media Interview 1  
Literature Mailout 1  
\*NONE of above listed trainings were conducted in GG

**4th Quarter:**

\*1 discrimination cases

\*Responded to 10 inquiries addressing other housing issues

Community Meeting/Event 1  
Fair Housing Management Training 4  
Community Presentation 3  
Informational/Resource Booth 7  
Tenant's Rights Workshop 3  
Tester Training Session 2  
Fair Housing Presentation/Workshop 3  
Staff Education/Training 3  
Landlord Workshop 1  
\*NONE of above listed trainings were conducted in GG

**3rd Quarter:**

\*2 discrimination cases

\*Responded to 88 inquiries addressing other housing issues

\*Assisted 5 households with fair housing counseling  
Community Meetings 4  
Informational Booths 2  
Literature Distribution 12  
Press Releases/PSA's 11  
Management Trainings 2  
Community Presentations 4  
Walk-In Clinics 5  
Tenant Workshops 2  
Landlord Workshop 1  
\*ALL of above listed trainings were conducted in GG

**4th Quarter:**

\*5 discrimination cases

\*Responded to 123 inquiries addressing other housing issues

\*Assisted 8 households with fair housing counseling  
Community Meetings 3  
Informational Booths 2  
Literature Distribution 9  
Press Releases/PSA's 6  
Management Trainings 1  
Community Presentations 3  
Walk-In Clinics 3  
Tenant Workshops 2  
Landlord Workshop 2  
\*ALL of above listed trainings were conducted in GG

**\*ALL numbers provided by each of the Fair Housing Agencies through quarterly reports as required by HUD\***