Meeting Date: 02/07/2006

ACTION	TYPE OF ITEM
❑ Approved Recommendation	❑ Info/Consent
❑ Ord. No(s).	❑ Report
❑ Res. No(s).	❑ Public Hearing (Info/consent)
❑ Other	■ Other *Public Hearing*

Prepared By: Norma Owens Agenda Item No. K-2

Reviewed By: City Manager City Attorney Finance Other: *(Specify)*

DATE: January 9, 2006

TO: City Council

FROM: Norma J. Owens, Grants Manager

SUBJECT: **Low and Moderate Income Needs Assessment – FY 2006-2007 Annual Action Plan**

RECOMMENDATION

That the City Council conduct a public hearing to receive comments and provide direction to staff concerning unmet needs of low and moderate income persons for housing, public facilities and economic development.

DISCUSSION

Background

In May 2003, the City Council adopted the 2003-2008 Consolidated Plan ("Plan"), as required by the U.S. Department of Housing and Urban Development (HUD) for submission of goals for HUD's community planning and development programs, as well as housing programs. The Plan, approved by HUD, serves as a planning document (comprehensive housing affordability strategy and community development plan) for the City, and as an application for funding under the Community Planning and Development formula grant programs, i.e., Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME) and Emergency Shelter Grant (ESG). In addition, for each year of the Plan's existence, the City must submit an Annual Action Plan, which is also the annual application for the three grants. The City is required to submit the Annual Action Plan to HUD by May 15, 2006, for FY 2006-2007, which will begin on July 1, 2006.

HUD's Formula Grant Programs

The City has been receiving community and development funds for over two decades. More specifically, the City has received CDBG funding for over 22 years, HOME funding for approximately 14 years, and ESG funding for approximately 16 years.

HUD has provided funding through CDBG for neighborhood street improvements, parks, public facility improvements, housing rehabilitation, and public service activities targeted to youth and homeless persons.

HOME funding has assisted numerous first-time buyers with down-payment assistance. In addition, HOME funds have assisted low- and moderate-income families and individuals with the rehabilitation of single-family homes and mobile homes, as well as the construction of new housing.

ESG has provided funding for homeless prevention, essential services, and the operation of emergency shelters. More specifically, the City has provided emergency food, shelter, counseling and homeless prevention annually for approximately 1,500 people.

Attachment No. 1 summarizes eligible activities and distribution mandates for these funds. Attachment No. 2 is a five-year historical summary and tentative allocation for FY 2006-2007, as of December 2005.

Overall Goals and Plan Content

The overall goals of HUD's community planning and development programs are to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for low- and moderate-income persons. The primary means toward these ends is to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations.

The Plan contents must include: housing and homeless needs assessments; a housing market analysis: a strategic plan indicating priorities for allocating investments for affordable housing; homelessness needs assessment; analysis of the supportive needs of the non-homeless; and, a non-housing community development plan, including specific long-term and short-term community development objectives (including economic development activities that create jobs). In addition, the priorities within the Plan must: describe the basis for assigning the priority; identify obstacles to meeting underserved needs; describe how funds that are reasonably expected will be used to address identified needs; and, identify proposed accomplishments the City plans to achieve over the next three years.

The Annual Action Plan must contain: the applications for CDBG, HOME and ESG Program funds; homeless and other special needs; a proposed projects summary; annual objectives that will assist in meeting the three-year Plan goals; and, the citizen participation process.

Citizen Participation Process

In October 1994, the City adopted a Citizen Participation Plan (CPP), updated in July 2000. The CPP encourages citizens to participate in the development of the Plan. The City is required to hold a minimum of two public hearings during the preparation of the Annual Action Plan. The purpose of the hearings is to obtain citizen comments, to address housing and community development and unmet needs, to outline the development of proposed activities, and to review previous program performance. The purpose of this initial hearing is to obtain citizen's comments on unmet housing and community development needs. The second hearing will be held prior to adoption of the FY 2006-2007Annual Action Plan, and is tentatively scheduled for May 9, 2006.

The City is required to consult with other public and private agencies that provide assisted housing, health services, and social services (including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families, and homeless families) during preparation of the Action Plan. The City must also notify adjacent units of general local government, to the extent practicable, when preparing the description of priority non-housing community development needs.

The general intent of the consolidated planning process is a collaborative effort whereby the community establishes a unified and comprehensive vision for housing and community development. It also facilitates "bottom up" planning, which renews commitment and generates citizen involvement. The comprehensive vision of the Plan should include affordable housing, adequate infrastructure, measures to overcome impediments to fair housing, and economic growth coordinated with human development.

FINANCIAL IMPACT

There is no financial impact to conduct the public hearing.

Attachment 1 – Program Funding Eligibility
2 – HUD Formula Grant Programs

HUD FORMULA GRANT PROGRAMS
FIVE-YEAR ENTITLEMENT SUMMARY

	2001	2002	2003	2004	2005	2006
Community Development Block Grant (CDBG)	$3,133,000	$3,102,000	$3,363,000	$3,306,000	$3,134,368	Unknown
HOME Investment Partnership Act (HOME)	$974,000	$973,000	$1,209,508	$1,203,328	$1,144,208	Unknown
Emergency Shelter Grant (ESG)	$107,000	$107,000	$106,000	$123,017	$120,925	$121,772
American Dream Downpayment Initiative (ADDI)	NA	NA	NA	$97,230	$30,011	Unknown

PROGRAM FUNDING ELIGIBILITY

Community Development Block Grant (CDBG):

The primary purpose of CDBG funds is to assist communities with providing decent housing, a suitable living environment, and expanded economic development opportunities for persons with low incomes.

CDBG funds may be used for public facilities and improvements, urban infrastructure, housing programs, economic development programs, public services (up to 15% as defined by the Federal regulations) and program planning and administrative costs (up to 20% as defined by Federal regulations).

In addition, HUD requires that each year, 70 percent of the entitlement be used for activities benefiting low- and moderate-income persons. The City has historically met this requirement by only using CDBG for projects and activities which are located in low- and moderate-income areas and/or are directed at eligible persons or households.

HOME Partnership Investment Act (HOME):

The primary purpose of HOME funds is to increase the supply of affordable housing for low- and moderate-income persons. HOME funds can be utilized for construction of new housing units, rehabilitation/reconstruction of existing housing units, demotion prior to new construction of housing, homebuyer programs, land acquisition for new housing construction and development fees and rental assistance.

Emergency Shelter Grant (ESG):

The primary purpose of ESG funds is to assist homeless individuals and families with essential services and skills' development for independent living. ESG funds can be used for improvements to structures used or to be used for emergency shelters for the homeless, operation costs of emergency shelters, and provision of services to the homeless.

American Dream Downpayment Initiative (ADDI):

The ADDI program provides eligible low-income first-time homebuyers with downpayment and closing cost assistance. The City of Oxnard has been implementing a similar program since 1997. The two programs are complementary.