



Meeting Date: 05/09/2006

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input checked="" type="checkbox"/> Public Hearing
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other Public Hearing

Prepared By: Norma J. Owens *(Signature)* Agenda Item No. K-2
 Reviewed By: City Manager *(Signature)* City Attorney *AA* Finance *(Signature)* Other (Specify) _____

DATE: April 24, 2006

TO: City Council

FROM: Norma J. Owens, Grants Manager *(Signature)*
Finance Department/Grants Management Division

SUBJECT: Public Hearing to Consider Oxnard's Fiscal Year (FY) 2006-2007 Annual Action Plan (the Plan) Component of the 2003-2008 Consolidated Plan, Including Applications to the U.S. Department of Housing and Urban Development (HUD) and Projected Use of Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME) and Emergency Shelter Grant (ESG) Funds.

RECOMMENDATION

That City Council:

1. Conduct a public hearing to receive comments and provide direction to staff regarding any changes to the Plan.
2. Authorize the City Manager to make changes to the Plan as directed by City Council.
3. Approve the Plan and the recommended proposed use of funds.
4. Authorize the City Manager to execute the required applications, certifications, and other pertinent documents and submit the Plan to HUD.
5. Authorize the City Manager to execute any agreements and other documents necessary to implement the Plan after approval of the Plan by HUD.

DISCUSSION

Background

In 1994, HUD required entitlement jurisdictions to complete a three to five year plan which consolidated the CDBG, HOME, and ESG formula grant programs into one application and implementation strategy process. For each year of the Consolidated Plan's existence, the City must submit the Plan, which is the annual application for these three grants. On May 13, 2003, the City Council approved the 2003-2008 Consolidated Plan. This item covers the fourth year of the 2003-2008 Consolidated Plan and includes the applications for FY 2006-2007.

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Community Involvement

The Plan represents the culmination of a lengthy process that included consultation, collaboration, and involvement of residents and public and private agencies. The Plan is also the result of a well-coordinated effort by a City employee team representing various City Departments.

Prior to submitting the Plan for City Council's consideration, the City must afford residents the opportunity to review and comment on the priorities and strategies in the Consolidated Plan and the annual uses of the federal funds. An initial public hearing was held on February 07, 2006, to solicit comments from residents, public agencies and other interested parties on housing and community development needs. A summary of any public hearing testimony and written materials received are included in the Plan.

A public comment period of 30 days on the draft Plan was also held beginning April 3, 2006, and copies of the document were made available in the Main Oxnard Library, the Office of the City Clerk, and the Finance Department (Attachment No. 1). In addition, the City will also submit the Plan to the State and the Southern California Association of Governments for area-wide clearinghouse compliance.

Annual Action Plan FY 2006-2007 Funding

The City is eligible to receive \$2,820,986 in CDBG funds; \$1,090,941 in HOME funds, including \$14,975 in ADDI funds; and \$120,554 in ESG funds, effective July 1, 2006. The City's CDBG, HOME and ESG funds will decrease by \$313,382, \$83,278, and \$371 respectively, compared to the FY 2005-2006 allocations (Attachment No. 2). At this time, the City can probably expect the grant funding to decrease over the next few years with no adjustments for inflation because nationally, more jurisdictions are vying for funding.

CDBG program income in the amount of \$70,000 is available for reprogramming. HOME program income in the amount of \$523,100 is available for expenditure commitments. Program income for both CDBG and HOME is received when loans, from such activities as housing rehabilitation and first time homebuyer, are repaid to the City. Staff also identified \$292,580 in CDBG reprogrammed funds from completed CDBG Capital Improvement Projects. The total amount currently available in CDBG, HOME, and ESG funding for projects and activities for FY 2006-2007 is, therefore, \$4,918,161.

Proposed Projects and Activities

The allowable uses of the three grants are outlined in Attachment No. 3. The proposed eligible activities and distribution mandates for all of the available funds are summarized in Attachment No. 4. More detailed information on these proposed projects and activities contained in the Plan are in the section entitled Proposed Projects and Activities. The projects and activities are recommendations and may be amended by Council's direction at the close of this Public Hearing or at any time to include changes, additions or deletion of activities during the year, in accordance with the City's Citizen Participation Plan.

Briefly, the proposed projects and activities are reflective of priorities and objectives established in the Plan, as outlined in Attachment No. 5. Also, reflected in the projects and activities is the City's historic practice of expending the maximum allowable by HUD in Administration and Planning and Public Services, or 20 percent and 15 percent of the annual grant in CDBG funds for administrative services and public services, respectively. The City may expend the funds directly or may use private organizations or outside agencies to implement the public service activities. For FY 2006-2007, the proposed activities include the continued funding of primarily youth projects administered by the Recreation and Community Services Department, and an amount for the Homeless Employment Program.

FINANCIAL IMPACT

The City is eligible to receive \$2,820,986 in CDBG, \$1,090,941 in HOME, and \$120,554 in ESG funds for FY 2006-2007 with the submission of the Plan and subsequent approval by HUD. Additional \$70,000 in CDBG program income, \$523,100 in HOME program income and \$292,580 in reprogrammed funds from completed projects have been identified. Therefore, the total funding for FY 2006-2007 will be \$4,918,161.

Attachment #1 - The Plan

#2 - Five-Year Entitlement Summary

#3 - Program Funding Eligibility

#4 - Proposed Projects Funding Summary

#5 - FY 2006-2007 Strategic Plan Goal Summary

NOTE: Copies of the Plan are available for public review at the Main Oxnard Public Library, City Clerk's Office, and Finance Department.

FIVE-YEAR ENTITLEMENT SUMMARY

	2002	2003	2004	2005	2006
Community Development Block Grant (CDBG)	\$3,102,000	\$3,363,000	\$3,306,000	\$3,134,368	\$2,820,986
HOME Investment Partnership Act (HOME)	973,000	1,209,508	1,203,328	1,144,208	1,075,966
American Dream Downpayment Initiative (ADDDI)	NA	NA	97,230	30,011	14,975
Emergency Shelter Grant (ESG)	107,000	106,000	123,017	120,925	120,554
TOTALS	\$4,182,000	\$4,678,508	\$4,729,585	\$4,429,512	\$4,032,481

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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 income.

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, demolition 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.

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PROPOSED PROJECTS FOR FISCAL YEAR 2006-2007

TITLE	LOCATION	FUNDING SOURCE	PROJECTED ACCOMPLISHMENTS	AMOUNT
Grants Administration and Support	Citywide	CDBG	188,849 persons served	\$ 214,254
Fair Housing Program Administration	Citywide	CDBG	400 households	43,404
Environmental Reviews	Citywide	CDBG	N/A	18,060
Homeless Program Administration	Citywide	CDBG	N/A	153,631
Community Affairs Administration	Citywide	CDBG	188,849 persons served	148,851
Homeless Employment Programs	Citywide	CDBG	25 homeless persons	30,000
After School Program	CT & BG	CDBG	960 youth	105,000
PAL	CT & BG	CDBG	3,850 youth	160,977
Colonia Boxing Center	CT & BG	CDBG	165 youth	19,225
Youth Enrichment Program	CT & BG	CDBG	800 youth	68,597
Colonia Memorial Park Veteran's Gym	CT & BG	CDBG	3,300 youth	51,328
City Corps	Citywide	CDBG	380 youth	23,629
Neighborhood Street Improvements	CT & BG	CDBG	188,849 persons served	1,176,135
Housing Rehabilitation Program Admin	Citywide	CDBG	N/A	452,357
Business Technical Assistance	Citywide	CDBG	30 new jobs	75,000
Mobile Home Replacement Program	Citywide	CDBG	1 households	100,000
First Time Homebuyers Assistance	Citywide	CDBG	10 housing units	100,000
Code Enforcement	CT & BG	CDBG	898 housing units	243,118
CDBG TOTAL				\$ 3,183,566
Program Administration	N/A	ESG	N/A	\$ 6,027
Homeless Prevention	Citywide	ESG	47 households	27,727
Essential Services	Citywide	ESG	680 persons	12,055
Shelter Operations and Maintenance	Citywide	ESG	693 persons	74,745
ESG TOTAL				\$ 120,554
Program Administration	Citywide	HOME	N/A	\$ 107,600
CHDO Development	Citywide	HOME	1 housing unit	361,395
CHDO Operations	Citywide	HOME	1 organization	50,000
Housing Rehabilitation – Mobile Homes	Citywide	HOME	16 mobile home units	350,000
Housing Rehabilitation – Single Family	Citywide	HOME	17 housing units	380,071
Homebuyer Assistance	Citywide	HOME	31 housing units	350,000
American Dream Down Payment Assistance	Citywide	HOME	1 household	14,975
HOME TOTAL				\$ 1,614,041
GRAND TOTAL				\$ 4,918,161

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**ONE-YEAR STRATEGIC PLAN GOAL SUMMARY
FY 2006-2007**

PRIORITY #1 - NEW CONSTRUCTION

Goal 1: Construct new housing units for senior citizens, farm workers, multi-families, and single families.

Objectives: Construct 54 new affordable units by the year 2007.
Construct 32 affordable single-family units by the year 2007.
Provide 6 manufactured unit replacements for very low-income families by the year 2007.

PRIORITY #2 - REHABILITATION

Goal 2: Rehabilitate the City's owner-occupied and mobile home units through the City's rehabilitation home repair program.

Objectives: Rehabilitate 3 deferred loans for owner-occupied homes by the year 2007.
Rehabilitate 16 mobile homes by the year 2007.
Rehabilitate 14 owner-occupied exteriors by the year 2007.

PRIORITY #3 - HOMEBUYERS ASSISTANCE

Goal 3: Develop programs to assist developers, non-profit corporations, and public housing tenants with financing through a first-time homebuyer program.

Objectives: Assist 42 units through a homebuyers assistance program by the year 2007.

PRIORITY #4 - HOMELESS PERSONS AND FAMILIES/SUPPORT FACILITIES AND SERVICES

Goal 4: Support non-profit agencies that provide assisted housing services and/or shelters to assist homeless persons/families or those at risk of becoming homeless.

Objectives: Site acquisition and construction of an emergency shelter for single women and women with children by the year of 2007.

Assist service providers to provide transitional housing for an additional two persons, as well as, acquisition of transitional housing site for single women and women with children by the year 2007.

Assist 47 households through the homeless prevention program by the year 2007.
Provide assistance to 680 homeless persons with essential services by the year 2007.
Provide shelter beds and services to 693 unduplicated persons through the Winter Warming Shelter Program.

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PRIORITY #5 - PUBLIC HOUSING AND RENTAL ASSISTANCE

Goal 5: Assist the City's families with affordable rental housing through public housing assistance and rental subsidy assistance programs.

Objectives: Administer 780 units of public housing by the year 2007.
Preserve 780 rental units by the year 2007.
Provide rental subsidy assistance to approximately 1,659 families per year.

PRIORITY #6 - OTHER SPECIAL NEEDS

Goals: Provide support, including housing and services for persons with special needs including persons and families with HIV/AIDS.

Objectives: Provide public housing units and, Section 8 rental assistance to 15 persons by the year 2007.
Provide support to 20 frail elderly persons by the year 2007.
Provide financial support for service providers to assist three disabled persons and one person with HIV/AIDS by the year 2007.
Provide over 9,000 at-risk youth with enhanced recreational opportunities, youth enrichment programs, after-school activities and services targeting youth-at-risk.

PRIORITY #7 - ECONOMIC DEVELOPMENT

Goals: Retain and expand the City's economic opportunities and provide a suitable living environment to low income persons through job creation and retention, stabilization and expansion of small businesses.

Objectives: Provide assistance to 12 small businesses, resulting in the creation of 30 new jobs for Oxnard residents.

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