



Meeting Date: 02/27/07

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 type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Other <i>Public Hearing</i>

Prepared By: Norma J. Owens, Grants Manager *Norma J. Owens* Agenda Item No. L-2
 Reviewed By: City Manager *[Signature]* City Attorney *BA* Finance *SW* Other: *(Specify)*

DATE: February 16, 2007

TO: City Council

FROM: Norma J. Owens, Grants Manager *NJO*

SUBJECT: **Low- and Moderate-Income Needs Assessment – FY 2007-2008 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 Community Planning and Development Programs (CPDP). The HUD-approved Plan serves as a comprehensive housing affordability strategy and community development directive for the City. Also, for each year of the Plan’s existence, the City must submit an Annual Action Plan, which is also the annual application for Community Development Block Grant (CDBG), HOME Investment Partnership Act (HOME) and Emergency Shelter Grant (ESG) funding through the CPDP. The City is required to submit the 2007-2008 Annual Action Plan to HUD by May 15, 2007, for the program year commencing July 1, 2007.

HUD’s Formula Grant Programs

The City has been receiving CDBG funding for approximately 22 years, HOME funding for 15 years, and ESG funding for 17 years through CPDP. The CDBG funds have been used for such needs as: neighborhood streets, parks, and public facility improvements; housing rehabilitation; and, public service activities targeted to youth and homeless persons. HOME funding has assisted numerous low- and moderate-income families and individuals with first-time homebuyer down-payment assistance, and the rehabilitation of homes. In addition, HOME funds have been

used for construction of new housing units. The ESG has provided funding for such needs as: homeless prevention; essential services, including meals; the operation of emergency shelters; and, counseling for families and individuals.

Attachment No. 1 summarizes eligible activities and distribution mandates for these funds. Attachment No. 2 is a five-year historical summary of the three formula grants.

Overall Goals and Plan Content

HUD's overall goals 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 objectives in accomplishing the goals are to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations.

The five-year Plan must include: housing assessments; a housing market analysis; a strategic plan indicating priorities for allocating investments for affordable housing; a homelessness needs assessment; an analysis of the supportive needs of the non-homeless; a non-housing community development plan; and, a citizen participation plan. In addition, specific long-term and short community development objectives including economic development activities that create jobs, must be addressed. Also, 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 year. The Annual Action Plan must contain: the applications for CDBG, HOME and ESG program funds; identification of homeless and other special needs; a proposed projects summary; annual objectives that will assist in meeting the five-year Plan goals; and, a summary of the public participation process.

Citizen Participation Plan

In October 1994, the City adopted a Citizen Participation Plan (CPP), which was updated in July 2000. The CPP encourages residents 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 first public hearing is to obtain comments that address housing and community development and other unmet needs. This first hearing will also outline the development of proposed activities and review previous program performance. The second public hearing will be held prior to approval and adoption of the 2007-2008 Annual Action Plan, and is tentatively scheduled for May 8, 2007.

The City is also required to consult with other public and private agencies that provide assisted housing, health services, and social services (including those that focus on services to children, the elderly, persons with disabilities, persons with HIV/AIDS and their families, and the homeless) 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 public participation process is to conduct 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 public 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

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.

HUD FORMULA GRANT PROGRAMS
FIVE-YEAR ENTITLEMENT SUMMARY

	2002	2003	2004	2005	2006	2007
Community Development Block Grant (CDBG)	\$3,102,000	\$3,363,000	\$3,306,000	\$3,134,368	\$2,820,986	TBD
HOME Investment Partnership Act (HOME)	\$973,000	\$1,209,508	\$1,203,328	\$1,144,208	\$1,075,966	TBD
American Dream Downpayment Initiative (ADDI)	NA	NA	\$97,230	\$30,011	\$14,975	TBD
Emergency Shelter Grant (ESG)	\$107,000	\$106,000	\$123,017	\$120,925	\$120,554	TBD

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