



Meeting Date: 05/03/2011

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

Prepared By: Norma J. Owens <sup>WJO</sup>

Agenda Item No. **62**

Reviewed By: City Manager

City Attorney <sup>SMF</sup>

Finance

Other (Specify)

**DATE:** April 22, 2011

**TO:** City Council

**FROM:** William E. Wilkins, Housing Director

**SUBJECT:** Public Hearing to Consider Oxnard's Fiscal Year 2011-2012 Annual Action Plan Component of Fiscal Years 2008-2013 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 Partnerships Act (HOME) and Emergency Shelter Grant (ESG) Funds.

**RECOMMENDATION**

That City Council:

1. Conduct a public hearing to receive comments and provide direction to the Housing Director regarding any changes to the Annual Plan.
2. Authorize the City Manager to make changes to the Annual Plan as directed by City Council.
3. Approve the Annual 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 Annual Plan to HUD.
5. Authorize the City Manager to execute any agreements and other documents necessary to implement the Annual Plan after approval 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 an Annual Action Plan, which is the annual application for these three grants. On June 24, 2008,

Council approved the Fiscal Year (FY) 2008-2013 Consolidated Plan. This current item covers the fourth year of the FY 2008-2013 Consolidated Plan and includes the grant applications for FY 2011-2012.

### **Community Involvement**

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

Prior to submitting the Annual Plan for City Council's consideration, the City must afford the public the opportunity to review and comment on the priorities and strategies in the Annual Plan and the annual uses of the federal funds. An initial public hearing was held on January 25, 2011, to solicit comments from residents, public agencies and other parties interested in housing and community development unmet needs.

A notice of the Second Public Hearing was publicized in the Ventura County Star Newspaper on April 3, 2011. The purpose of this hearing is to receive public comments on the proposed activities for the CDBG, ESG and HOME Programs, for FY 2011-2012 and to inform the public that as of the preparation of this document, the City has not received official notice of the actual amount to be awarded to the City. However, as of April 22, 2011, HUD has publicized the 2011 **estimated** full year allocations for the City of Oxnard as follows:

### **Estimated Annual Action Plan FY 2011-2012 Funding**

Effective July 1, 2011, the City is expected to receive a total of \$3,651,732 representing an overall decrease of \$577, 397 from FY 2010-2011 as follows:

<b>FUND</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>	<b>CHANGE</b>
CDBG	2,961,698	2,472,304	<489,394>
HOME	1,147,134	1,012,712	<134,422>
ESG	120,297	166,716	46,419
<b>TOTAL</b>	<b>4,229,129</b>	<b>\$3,651,732</b>	<b>&lt;577,397&gt;</b>

A public comment period of 30 days on the Draft of the Annual Action Plan (Attachment No. 1) began on April 4, 2011, and copies of the document were made available in the Main Oxnard Library, the Office of the City Clerk, and the Housing Department. In addition, the City will also submit the Annual Plan to the State and the Southern California Association of Governments for area-wide clearinghouse compliance.

A summary of all public hearing testimonies and written materials received will be included in the Annual Plan.

The following summarizes FY 2011-2012 estimated and available funding from the various sources:

<b>FUND</b>	<b>ESTIMATED FY 2011-2012</b>	<b>REPROGRAMMED FUNDS FROM COMPLETED PROJECTS</b>	<b>INCOME 2011-2012</b>	<b>TOTALS</b>
<b>CDBG</b>	\$2,472,304	\$1,095,442	\$55,000	\$3,622,746
<b>HOME</b>	\$1,012,712	190,000	0	\$1,202,712
<b>ESG</b>	\$166,716	0	0	\$166,716
<b>Total</b>	<b>\$3,651,732</b>	<b>\$1,285,442</b>	<b>\$55,000</b>	<b>\$4,992,174</b>

As soon as HUD notifies the City of the final funding awards, the City will re-submit the utilization of grant funds to the City Council for review or approval, as warranted.

**Proposed Projects and Activities**

The allowable uses of the three grants are outlined in Attachment No. 2. The proposed eligible activities and distribution mandates for all of the available funds are summarized in Attachment No.1 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.

Attachment No. 3 summarizes the priorities and objectives of the proposed eligible activities for the FY 2011-2012 briefly, administrative activities for the three entitlements are budgeted, as follows:

	<b>AMOUNT</b>	<b>ENTITLEMENT AMOUNT</b>
<b>CDBG</b>	\$505,460	\$2,472,304
<b>HOME</b>	101,270	\$1,012,712
<b>ESG</b>	8,335	\$166,716
<b>TOTALS</b>	<b>\$615,065</b>	<b>\$3,651.732</b>

Regarding the CDBG Public Services activities, the maximum eligible amount budgeted equals to \$370,845, representing 15 percent of the total allocation. And the City's Recreation and Community Services Department will continue to administer the youth projects using the CDBG Public Services category.

**FINANCIAL IMPACT**

With HUD approval of the Plan, the City will be able to fund \$4,992,174 in eligible programs and projects. The reduction of \$489,394 of CDBG funds is anticipated to have an impact on the City's General Fund. Mitigation of those impacts will be presented to Council as part of the budget review.

The HOME Program requires a 25% match for certain activities. The match will be met with the 20% housing set-aside required from redevelopment funds and the individual match from the First-Time Homebuyers program.

- Attachments #1 -Draft of the Annual Action Plan
- #2 - Program Funding Eligibility
- #3 - FY 2011-2012 Strategic Plan Goal Summary

Note: Attachment No. 1, Draft of the Annual Action Plan has been provided to the City Council. Copies are available for review at the Help Desk in the Library after 6:00 p.m. on the Thursday prior to the Council meeting and at the City Clerk's Office after 8:00 a.m. on Monday.

## 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, 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.

**ONE-YEAR STRATEGIC PLAN GOAL SUMMARY  
FY 2011-2012**

**1. HOUSING NEEDS**

**Priority:**        REHABILITATION

**Goal:**            Rehabilitate the City's owner-occupied and mobilehome units through the City's home repair program.

**Objectives:**    Provide \$150,000 to rehabilitate 15 owner-occupied housing units.  
                      Provide \$210,000 to rehabilitate ten mobilehomes.  
                      Provide \$289,542 to replace two mobilehomes.

**Priority:**        HOMEBUYERS ASSISTANCE

**Goal:**            Increase the rate of the citywide homeownership by developing programs to assist developers, non-profit corporations, and public housing tenants with financing through a first-time homebuyer program.

**Objectives:**    Provide \$300,000 to assist 30 units through a first-time homebuyers program.

**Priority:**        NEW CONSTRUCTIONS

**Goal:**            Construct new housing units for multi-families and single families.

**Objectives**     Reserve \$151,900 funding as CHDO Set Asides to fulfill HUD requirements.

**2. HOMELESS NEEDS**

**Priority:**        HOMELESS PERSONS AND FAMILIES/SUPPORT FACILITIES

**Goal:**            Support non-profit agencies providing assisted housing, services and/or shelter to assist homeless persons/families suffering homelessness or those at-risk of becoming homeless.

**Objectives:**    Assist service providers to offer essential services to homeless individuals and families.  
                      Assist service providers to offer emergency shelter to homeless people and mentally ill adults.

The total available funding is \$158,381 in ESG program.

**3. COMMUNITY DEVELOPMENT NEEDS**

**Priority:**        SUITABLE LIVING ENVIRONMENT

**Goal:**            Enhance suitable living environment through new or improved public facility, infrastructure, and Code Compliance.

**Objectives:**    Provide \$1,156,857 funding to reconstruct curbs, sidewalks and streets in Blackstock South Neighborhood, including compliance with ADA Standards.  
                      Provide \$480,600 funding to rehabilitate Phase III of Campus Park Bannister Gym, located at 937 West 5<sup>th</sup> Street.

Provide \$375,000 funding to a walking tract around the Lemonwood Park, located at 2055 East San Mateo Place.

Provide \$220,000 funding to Code Compliance Division to pay for salaries and related expenses of officers that will be assigned to the targeted areas, the Appeals Hearing Officer and legal proceedings. The projected accomplishment number is 1,000 housing units.

**Priority:** OTHER SPECIAL NEEDS

**Goal:** Provide supportive services and housing for persons with special needs.

**Objectives:** Provide \$369,829 funding to assist 4,000 youth in diversified areas of support services.

**Priority:** ECONOMIC DEVELOPMENT

**Goal:** Retain and expand the City's economic opportunities and provide a suitable living environment for businesses and persons, especially low-income persons, through job creation and retention, stabilization and business expansion opportunities.

**Objectives:** Provide \$50,000 funding to assist four small businesses, resulting in the creation of five new jobs and the retainment of four existing jobs for Oxnard residents.