



**REPORT TO CITY COUNCIL AND
HOUSING AUTHORITY
City of Sacramento**

**915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org**

**Staff Report
January 8, 2013**

**Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority Board**

Title: Approval and Adoption of the 2013-17 Consolidated Plan and the 2013 One-Year Action Plan for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Funded Projects and Programs, Amendment of Various Years' Action Plans; and Amendment to the Sacramento Housing And Redevelopment Agency (SHRA) Budget; Execute Documents for the Administration of Federal Programs and Other Related Findings

Location/Council District: Citywide

Recommendation: Approves **Council and Housing Authority Resolutions** which:

- 1) adopt the 2013-17 Consolidated Plan, which lays out goals and strategies for CDBG, HOME, HOPWA and ESG funds as outlined in Exhibit A, 2) adopt the 2013 One-Year Action Plan, which allocates anticipated CDBG, HOME, HOPWA and ESG funds to various programs and projects as set out in Exhibit B, 3) defund prior years' Action Plan activities set forth in Exhibit C and add the projects outlined in Exhibit D, 4) authorize the Executive Director, or designee, to amend the SHRA Budget as necessary to carry out activities funded with CDBG, HOME, HOPWA or ESG, 5) authorize amending the 2013 CDBG Capital Reserve and HOME budgets to the extent necessary to implement and ensure the timely completion of activities, 6) authorize SHRA to administer the HOPWA and ESG programs as requested by DHA, 7) authorize the Executive Director to enter into a revised Memorandum of Understanding (MOU) with the City of Sacramento for SHRA's continued administration of the CDBG, HOME, HOPWA, and ESG grants on behalf of the City of Sacramento as set out in Exhibit F, 8) repeal resolution 82-425 and designate the Housing Authority of the City of Sacramento purpose of administering the Action Plans funding and the performance of the federal grant draws on behalf of the City of Sacramento, 9) authorize the Housing Authority of the City of Sacramento to administer rental assistance for homeless families in accordance with the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act regulations on behalf of the City of Sacramento, 10) authorize submittal of the amendment of prior years' Action Plan(s) and the 2013 One-Year Action Plan to HUD, 11) authorize execution of the subsequent grant agreements with HUD and the execution of agreements and contracts with the appropriate entities to carry out the

CDBG, HOME, HOPWA, and ESG projects in accordance with the 2013 One-Year Action Plan, 12) authorize the City Manager to execute agreements with SHRA to carry out the activities contained in the 2013 One-Year Action Plan, 13) authorize SHRA's Executive Director, or designee, to make any budget adjustments and execute any and all related documents, including invoicing, contracts and amendments as necessary to carry out the federal programs, 14) authorize the Housing Authority of the City of Sacramento, staffed by SHRA, to administer rental assistance for homeless families in accordance with the HEARTH regulations, 15) authorize the Executive Director, or designee, to amend the SHRA budget and execute associated agreements, contracts and documents with the appropriate entities to carry out these activities in compliance with applicable adopted policies, guidelines and federal law as approved to form by SHRA Counsel, and 16) make related findings.

Contact: La Shelle Dozier, Executive Director, 440-1319, Geoffrey M. Ross, Program Manager, 440-1357

Presenters: Geoffrey M. Ross, Program Manager

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: This report recommends approval of the 2013-17 Consolidated Plan and the 2013 One-Year Action Plan, amends prior year Action Plans, and authorizes their submission to HUD. The One-Year Action Plan describes CDBG, HOME, HOPWA and ESG funded activities that the jurisdiction proposes to undertake in the coming year and it is required to be submitted each year to HUD. The 2013 Action Plan identifies significant modifications to programs reflecting the current level of funding. The 2013-17 Consolidated Plan is a five-year planning document that guides the use of federal funds in the City of Sacramento. This report also provides an update from Sacramento Steps Forward, which is the nonprofit entity administering homeless programs in the City and County of Sacramento. Staff anticipates that the 2013 federal budget will again reflect the most recent round of reductions to domestic and discretionary spending resulting in an overall lower level of funding from HUD than previously experienced at the adoption of the prior Consolidated Plan. Additional information and background is included in Attachment 1.

Policy Considerations: The recommended actions in this report are consistent with the 2013-17 Consolidated Plan proposed for adoption in this report. The 2013-17 Consolidated Plan reflects new policy direction and data from HUD, including the use of the new Electronic Consolidated Planning Tool (eCon) and regulatory requirements related to the HOME and ESG programs, as well as the implementation of the HEARTH Act.

Environmental Considerations:

California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA): Commitment of funding for new projects that could result in a direct or indirect physical change to the environment is subject to environmental review under the CEQA if implementation of the projects is authorized as part of the budgeting process.

All new federally funded projects are subject to environmental review under the requirements of the National Environmental Policy Act (NEPA) and per HUD regulations prior to any commitment of federal funds for expenditure unless they are exempt from such review.

Many of the 2013 One-Year Action Plan new projects are exempt or categorically excluded from environmental review under CEQA and NEPA. Some of the programs contained in the action plan do not include specific projects, or actions on specific properties as these projects and properties have not yet been defined. As projects and properties are identified, additional environmental review under CEQA and/or NEPA will be required prior to any discretionary action or choice limiting action. These projects cannot be approved until further environmental review is completed. Exhibit E contains specific information regarding CEQA and NEPA reviews and findings for specific projects.

Sustainability Considerations: The Projects included in this report have been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following goals, policies and targets: the project supports GOAL NUMBER FIVE – Public Health and Nutrition, ITEM 3 – Create Healthy Urban Environments through Restorative Redevelopment.

Other: N/A

Committee/Commission Action: It is anticipated that, at its meeting on January 2, 2012, the Sacramento Housing and Redevelopment Commission will approve the recommendations outlined in this report. Staff will notify the Council in the event this does not occur.

Rationale for Recommendation: As a condition of the receipt of various federal grants provided through HUD, the regulations require the annual submittal of a One-Year Action Plan describing proposed activities and expenditures for the upcoming year using the goals and priorities in the Consolidated Plan. Refer to the Exhibits for the list of 2013 recommended activities, projects to be defunded and various years' Action Plan amendments.

Financial Considerations: Proposed allocations made in the 2013 One-Year Action Plan are based on:

CDBG Entitlement	\$4,141,637
CDBG Program Income	\$66,949
HOME Entitlement	\$1,854,531
HOME Program Income	\$332,447
ESG Entitlement	\$452,693
HOPWA Entitlement	\$900,755

The \$421,131 in CDBG capital reserve budgeted in the One-Year Action Plan is approximately ten (10) percent of the 2013 CDBG entitlement. If Congress ultimately approves funding in a lesser amount, the reserve will be used to fund budgeted projects. SHRA is authorized to obligate the Capital Reserve to activities described in this Action Plan.

M/WBE and Section 3 Considerations: Minority and Woman’s Business Enterprise and Section 3 requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding.

Approved as to form:


 Agency Counsel

Respectfully Submitted by: 

 LA SHELLE DOZIER
 Executive Director

APPROVED AS TO FORM:

Table of Contents
 Report



 CITY ATTORNEY

	Report	pg.	1
Attachments			
1	Background	pg.	5
2	City Council Resolution	pg.	9
	Exhibit A 2013-17 Consolidated Plan Executive Summary	pg.	13
	Exhibit B 2013 Action Plan Activities	pg.	18
	Exhibit C Project and Program Defunding	pg.	23
	Exhibit D Various Years’ One-Year Action Plan Activities	pg.	24
	Exhibit E Environmental Determination	pg.	25
	Exhibit F Revised Memorandum of Understanding	pg.	28
3.	Housing Authority Resolution	pg.	30
	Exhibit A 2013-17 Consolidated Plan Executive Summary	pg.	34
	Exhibit B 2013 Action Plan Activities	pg.	39
	Exhibit C Project and Program Defunding	pg.	44
	Exhibit D Various Years’ One-Year Action Plan Activities	pg.	45
4	Sacramento Steps Forward Annual Report	pg.	46

Background

Federal Programs Administration

Since 1982 the Sacramento Housing and Redevelopment Agency (SHRA) has managed and administered federal housing and community development funds on behalf of the City and County of Sacramento (City and County) and has served as the federal housing and community development staffing entity pursuant to an agreement between the City and County and its redevelopment agencies and its housing authorities.

The City and County consolidated its staffing to achieve close coordination of redevelopment and public housing functions, provide budget savings for operation and overhead, eliminate duplicate staffing efforts, and to seek federal and other funding opportunities. The consolidation of multiple departments from different jurisdictions under the control of one executive director who is directly accountable to the City and the County governing boards is a key element to the success of the governance and legal structure of SHRA. This structure has been recognized on a statewide and national level as a model for multi-jurisdictional and efficient use of housing and community development funds.

Per the request of the Department of Human Assistance of the County of Sacramento (DHA) the Housing Authority of the City of Sacramento, staffed by SHRA, is proposing to consolidate the administration of all U.S. Department of Housing and Urban Development Office of Community Planning and Development (HUD CPD) programs as part of the adoption of the 2013-17 Consolidated Plan. Furthermore, to reflect the administration of the ESG and HOPWA programs in addition to the administration of the CDBG and HOME programs, as well as to reflect the dissolution of redevelopment, SHRA is proposing to enter into a revised Memorandum of Agreement (MOA) for the continued administration of HUD CPD funds upon adoption of this staff report and accompanying resolutions. SHRA has managed the CDBG program on behalf of the City since it was formed. However, a 1982 resolution designated that the Redevelopment Agency of the City of Sacramento be the recipient of the CDBG funds, and the Agency has been dissolved by state law. Therefore, staff is also recommending repeal of that resolution and to designate the Housing Authority of the City of Sacramento as the official recipient of federal funds on behalf of the City of Sacramento.

Consolidated Plan and Action Plan

New activities and the reprogramming of previous years' funds and their use are laid out in the 2013 Annual Action Plan (Action Plan) and are based upon Consolidated Plan priorities. This report adopts the 2013-17 Consolidated Plan and makes the final modifications to programs and projects funded under the previous Consolidated Plan. The Consolidated Plan and Action Plan's key components are broken down in the following sections.

Infrastructure:

There is a continuing need within the City for public facilities to serve growing populations. Many low- and moderate-income areas in the City are within older neighborhoods that either do not have proper facilities or their existing facilities suffer from heavy use or deferred

2013 One-Year Action Plan

Attachment 1

maintenance leading to disrepair. As identified in the 2013-17 Consolidated Plan, capital improvement funding identified in the Action Plan will be concentrated for maximum leveraging opportunities to provide the greatest impact to the largest number of residents.

Supporting large capital and public facility improvement projects benefiting low- and moderate-income areas remain a key component of the CDBG program. As part of the 2013-17 Consolidated Plan the targeting of such areas is refined and priority areas are identified. The priority areas represent the intersection of various considerations for effectively targeting funding and maximizing impacts. To the extent a pipeline of projects exists within the priority areas the program goal is to strategically support such projects. However, where strategic projects exist in broader low- and moderate-income areas and to the extent that capital and public facility funding remains available, area benefit projects outside the priority areas will also be supported.

The infrastructure and public improvement projects recommended in the 2013 One-Year Action Plan are in support of current City of Sacramento priorities, as well as previous commitments. This report supports projects currently underway throughout the City, and they are located within the priority areas established under the 2013-17 Consolidated Plan. Though not included in the 2013 Action Plan, the Consolidated Plan proposes a Notice of Funding Availability (NOFA) program for community organizations and partner agencies to compete for public facility and capital improvement funding beyond City department projects. Depending on the pipeline of City projects SHRA may issue a NOFA at a future date. The Action Plan through the use of priority areas and the NOFA process recognizes the post-redevelopment reality in California and Sacramento and creates a system by which funds can be focused strategically on fewer, but larger projects in low- and moderate income neighborhoods. The goal is to create a concentration of efficient activity generating strategic and visible impacts that promote positive changes within the community.

Housing:

High housing costs reduce economic opportunities, access to jobs and services, and the ability of lower-income households, including the elderly and persons with disabilities, to live in the communities and neighborhoods of their choice. The Consolidated Plan and the activities laid out in the 2013 Action Plan seek to support activities across the housing spectrum that will increase and improve the multi-family housing stock, rehabilitate existing single-family housing and carry out other housing responsibilities.

SHRA's ability to respond to increasingly difficult housing issues is currently resource constrained by reductions in entitlement grants from the federal government and the loss of local tax increment due to the elimination of redevelopment. As a result, more resources from CDBG are being targeted towards housing rehabilitation and in support of housing development. In addition to direct housing assistance, infrastructure improvements along transit corridors, in conjunction with housing development and community facilities in designated neighborhoods has been proven to lead to increased opportunities for low- and moderate-income residents to live closer to their place of work and enjoy greater interaction with their surrounding community and amenities.

2013 One-Year Action Plan

Attachment 1

Affordable housing rehabilitation and new construction is not limited to low- and moderate-income areas, but is able to be developed where it is most appropriate. The guidelines for investing in affordable housing rehabilitation and new construction activities were established as part of separate policies adopted by the Council, and include the Multi-Family Lending Guidelines.

Homeless Services:

Homeless policy changes at the national level, coupled with recent research, are leading to local improvements in system design, repurposing of existing resources, and the development of reallocation strategies. The Sacramento Continuum of Care (CoC) has made significant headway in the past few years and has strong models and approaches to build on. However, changes imbedded in the HEARTH Act and the new federal plan to end homelessness will challenge the CoC to rethink current investments and develop a more integrated response system with clear performance expectations for all the local partners.

For the past two and half decades federal grant funding has been directed to thousands of programs across the country. While agencies were expected to coordinate their efforts locally for planning purposes, federal grants went directly to individual programs and were allocated based on numbers of people served or services offered, rather than being based on the ultimate outcomes of the programs. This funding approach is changing. Fortunately, coinciding with this change, SHRA, the City and County, Sutter Health Foundation, the Sacramento Regional Community Foundation, Legal Services of Northern California and other entities collaborated to create a new nonprofit, Sacramento Steps Forward (SSF), to act as the lead entity in our response to end homelessness. Over the past year SSF has emerged to assume the role of grantee for the CoC.

SHRA contracted with SSF to complete the transition and implementation of the countywide homeless system from the County of Sacramento Department of Human Assistance (DHA) to SSF. The deliverables required as part of the current contract are designed to ensure that SSF is able to operate as a subrecipient as part of the 2013 Annual Action Plan. The Subrecipient Agreement between SSF and SHRA will be structured around various outcomes and measures that align the CoC towards HUD's "Housing First" model. Over the coming year, Sacramento will navigate the new regulatory requirements and seek to overcome significant challenges impeding the implementation of new system-wide strategies that recognize the need for tighter linkages to other programs and resources in the human services and health care arenas as well as system-wide accountability for outcomes. The goal is to begin to transform homeless services into a crisis response system that prevents homelessness and rapidly returns people who experience homelessness to stable housing.

Emergency Solutions Grant:

A key piece towards implementing new system-wide strategies for the homeless is the full roll-out of the Emergency Solutions Grant (ESG) program that provides, for the first time, ongoing entitlement funding in support of homeless prevention and rapid rehousing activities. The first homeless prevention and rapid rehousing program established in Sacramento was linked to the one-time funding of the Homeless Prevention and Rapid Rehousing (HPRP) program

2013 One-Year Action Plan

Attachment 1

under the American Recovery and Reinvestment Act (ARRA). The lessons learned and infrastructure created from HPRP will serve as a starting point for the new ESG program. In May 2012, the ESG program's second 2011 fiscal year (FY) and FY 2012 allocations were substantially amended (by Resolution 2012-140). At this time, the word "family" or "families" was inadvertently used instead of the word "household(s)." The 2013 One-Year Action Plan corrects the 2011 and 2012 Substantial Amendment by replacing the word "family (ies)" with "household(s)."

Starting in 2013, it is proposed that SHRA assume the administration of the ESG program from DHA. SHRA will subcontract with SSF to lead the community discussions for implementation of homeless prevention and rapid rehousing activities in conjunction with the wider repositioning of the CoC based upon HEARTH. SHRA will then directly contract with providers based upon the priorities adopted as part of the implementation of HEARTH locally. These actions will prove crucial for the continued competitiveness of the Sacramento CoC when the 2013 competitive funding round is launched next fall by HUD and the Notice of Funding Availability (NOFA) recognizes for the first time the new regulations pertaining to HEARTH.

Program Administration:

In October 26th, 2012 HUD issued a Memorandum to all CDBG Grantees wherein they provided advance notice that they are seeking to implement changes to HUD's Integrated Disbursement and Information System (IDIS) system that will assist grantees in preventing long-standing open activities. This means that, in addition to the IDIS changes embodied in the new Consolidated Plan (which is now electronically submitted to HUD), subsequent Action Plans and annual reports will also be linked within the IDIS system, providing HUD the ability for ongoing monitoring of individual project progress. Notably, these changes to CDBG are similar to those changes recently introduced in the HOME program.

It has always been the goal for CDBG program funds to be the last dollars into a project and the first expended. However, there have been several instances throughout the program's history where projects received funding before they were completely shovel-ready. While CDBG has a timeliness requirement that measures the overall program rate of fund expenditure, these changes by HUD are now adding an additional layer where individual projects will now be flagged within the IDIS system based upon the project's rate of expenditure. Failure to draw funds in a timely manner and failure to report accomplishments for funded projects may result in additional scrutiny and potential freezing of funds.

SHRA has successfully met all timeliness requirements over the past Consolidated Plan period; however, these changes will require that staff recommendations related to CDBG funding will further reflect projects that are actually ready to proceed. SHRA staff will continue to work closely with City Department staff to ensure that a clear pipeline of projects is identified, that funds are programmed efficiently, and that expenditures and billings are recorded regularly.



RESOLUTION NO. 2013 –

Adopted by the Sacramento City Council

on date of

APPROVAL OF THE 2013-17 CONSOLIDATED PLAN AND THE ADOPTION OF THE 2013 ONE-YEAR ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT, (CDBG), HOME INVESTMENT PARTNERSHIP PROGRAM (HOME), HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) AND EMERGENCY SOLUTIONS GRANT (ESG) FUNDED PROJECTS AND PROGRAMS; AMENDMENT TO PREVIOUS YEARS' ONE-YEAR ACTION PLANS; AMENDMENT TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) BUDGET AND; AND EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF FEDERAL PROGRAMS

BACKGROUND

- A. The U.S. Department of Housing and Urban Development (HUD) requires adoption of a Five-Year Consolidated Plan (Con Plan) and an annual Action Plan, consistent with the Con Plan, to identify the programs and projects for expenditure of federal Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Housing Opportunities for Persons With AIDS (HOPWA), and Emergency Solutions Grant (ESG) funds.
- B. Since 1982 (by Resolutions 82-424, RA-94, HA-1526 and the joint powers agreement), the Sacramento Housing and Redevelopment Agency (SHRA) on behalf of its constituent entities has served as the public entity designated to efficiently administer the CDBG and HOME funding originating from the HUD, including on behalf of the City of Sacramento. However, HUD requires a local government agency to draw down federal funds. With the dissolution of the Redevelopment Agency of the City of Sacramento, Resolution No. 82-425 needs to be repealed and the Housing Authority of the City of Sacramento designated to perform the federal grant draws on behalf of the City of Sacramento.
- C. The Sacramento County Department of Human Assistance (DHA) previously administered the HOPWA program on behalf of the City of Sacramento for the Counties of Sacramento, El Dorado, Placer and Yolo, and has subsequently requested that SHRA administer HOPWA (effective January 1, 2012).
- D. Due to the decline of financial resources, the Director of DHA formally requested to that SHRA also administer the ESG program (effective January 1, 2013) on behalf of the City of Sacramento.

- E. The regulations for the Continuum of Care were modified with the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, which now states that rental assistance must be administered by a state, local government or a Public Housing Agency.
- F. Community development grants from HUD administered directly by the recipient are required to secure environmental clearance; SHRA is designated as the agent for the City of Sacramento, which is the general unit of local government for the purpose of the HUD regulations, and SHRA is authorized to submit a determination of environmental clearance on the City's behalf and on behalf of non-profit organizations which are sub-grantees.
- G. A noticed public workshop soliciting comments on the 2013-17 Consolidated Plan was held on October 25, 2012.
- H. A noticed public hearing soliciting comments on the 2013-17 Consolidated Plan and the 2013 One-Year Action Plan was held by the Sacramento Housing and Redevelopment Commission on January 2, 2013.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The 2013-17 Consolidated Plan, which lays out the strategies and goals for CDBG, HOME, HOPWA, and ESG programs, as set out in Exhibit A is adopted.
- Section 2. With the adoption of the 2013-17 Consolidated Plan, SHRA is hereby responsible for the administration of the HOPWA and ESG programs on behalf of the City of Sacramento.
- Section 3. The City Manager and the SHRA Executive Director are authorized to enter into the revised Memorandum of Understanding (MOU) for SHRA's continued administration of the CDBG, HOME, HOPWA, and ESG grants on behalf of the City of Sacramento as set out in Exhibit F.
- Section 4. The 2013 One-Year Action Plan, which allocates anticipated CDBG, HOME, HOPWA and ESG funds to various programs and projects as set out in Exhibit B, is adopted.
- Section 5. City resolution 82-425 is hereby repealed and the Housing Authority of the City of Sacramento, staffed by SHRA, is hereby designated as the entity for administering the Action Plans funding and the federal grant draw function on behalf of the City of Sacramento.
- Section 6. The One-Year Action Plan amendment, to defund the activities set forth in Exhibit C and to add the projects set out in Exhibit D, is adopted.

- Section 7. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated in Exhibit E , are approved.
- Section 8. The Executive Director, or designee, is authorized to amend the SHRA budget to allocate the CDBG funding for programs and projects in accordance with the amendment of the prior years' Action Plan; allocate the CDBG, HOME, HOPWA and ESG grant funding for programs and projects as set out in the 2013 One-Year Action Plan; and to amend the 2013 CDBG Capital Reserve, HOME and HOPWA budgets to the extent necessary to implement and ensure the timely completion of the activities set out in Exhibits B, C and D. In addition, SHRA's Executive Director, or designee, is authorized to amend the SHRA budget to allocate and amend the 2011 and 2012 ESG budgets to the extent necessary to implement and ensure timely completion of the activities as set out in prior years' Action Plans and in the 2013 Action Plan activities.
- Section 9. SHRA is authorized and delegated authority to act as agent on behalf of the City of Sacramento to submit the amendment of prior years' Action Plan(s) and the 2013 One-Year Action Plan to HUD; execute the subsequent grant agreements with HUD; and to execute agreements and contracts with the appropriate entities to carry out the CDBG, HOME, HOPWA, and ESG projects in accordance with the 2013 One-Year Action Plan. All such agreements shall be in compliance with applicable federal law.
- Section 10. The City Manager is authorized to execute agreements with SHRA to carry out the activities contained in the 2013 One-Year Action Plan. All such agreements shall be in compliance with applicable federal law.
- Section 11. SHRA's Executive Director, or designee, is authorized to make any budget adjustments and execute any and all related documents, including invoicing, contracts and amendments as necessary to carry out the federal programs.
- Section 12. The Housing Authority of the City of Sacramento, staffed by SHRA, is authorized to administer rental assistance for homeless families in accordance with the HEARTH regulations on behalf of the City of Sacramento.
- Section 13. SHRA's Executive Director, or designee, is further authorized to amend its budget and execute associated agreements, contracts and documents with the appropriate entities to carry out these activities in compliance with applicable adopted policies, guidelines and federal law as approved to form by SHRA Counsel.

Table of Contents

- Exhibit A 2013-17 Consolidated Plan Executive Summary
- Exhibit B 2013 Action Plan Activities
- Exhibit C Project and Program Defunding
- Exhibit D Various Years' One-Year Action Plan Activities
- Exhibit E Environmental Determination
- Exhibit F Revised Memorandum of Understanding



2013-17 Consolidated Plan

ES-05 Executive Summary

1. Introduction

HUD transformed the Consolidated Plan into a tool for priority-setting and targeted investment planning for housing and community development. These tools are designed to support need-driven, place-based decisions and informed public participation in guiding funding decisions in the next five years for specific federal funds (Community Development Block Grant, Neighborhood Stabilization Program, HOME Investment Partnership Program, Emergency Solutions Grant and Housing Opportunities for Persons with AIDS) to identify needs and adopt strategies to address those needs, focusing primarily on low- and moderate-income individuals and households. The Consolidated Plan must also address "special-needs" identified by the federal government or locally, such as the needs of the elderly, persons with disabilities, homeless individuals and others. The Sacramento Housing and Redevelopment Agency (SHRA) was selected by the U.S. Department of Housing and Urban Development (HUD) to participate as a community to create a pilot regional Consolidated Plan covering the City and County of Sacramento for the period covering 2013-17. This regional plan includes the Sacramento Urban County Agreement Cities of Folsom, Isleton and Galt, and the Consortium of the unincorporated County that includes the City of Citrus Heights. SHRA administers the Consolidated Plan on behalf of the City and County of Sacramento. The County of Sacramento (County) is the eighth most populated county in the State of California, consisting of urbanized neighborhoods, suburban cities, and rural communities. The range of issues confronting the County is as diverse as its residents. The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. According to the U.S. Census, the County has a population of over 1.4 million residents, of whom approximately 553,900 live in the Urban County area. The Urban County consists of the cities of Folsom (approximately 72,000), Isleton (approximately 800) and Galt (approximately 23,650), and the unincorporated communities of the County. The City of Sacramento (City) has a population of approximately 466,740 people. The diverse population of the Sacramento Region has divergent needs to help attain personal, educational, employment, recreational, housing, and other goals. Sacramento is struggling to balance limitations on available resources and the need to address some very critical issues including: a severe shortage of housing affordable to low- and moderate-income residents, homelessness, aging infrastructure and community facilities, inadequate services, and underemployment. A segment of the population faces increasingly challenging issues as the regional economy continues to grow and housing costs continue to rise faster than local incomes. To meet its community's needs, this Consolidated Plan is guided by

three overarching goals that are applied according to its community's needs. The three overarching goals are:

- To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs, and transitioning homeless persons and families into housing.
- To provide a suitable living environment through safer, more livable neighborhoods, greater integration of low- and moderate-income residents throughout Sacramento, increased housing opportunities, and reinvestment in deteriorating neighborhoods.
- To expand economic opportunities through more jobs paying self-sufficient wages, greater homeownership opportunities, development activities that promote long-term community viability, and the empowerment of low- and moderate-income persons to achieve self-sufficiency.

2. Summary of the objectives and outcomes identified in the Plan Needs

Assessment Overview

There is an ongoing gap within Sacramento, in various degrees, in the availability of services across most categories of special need. This includes seniors, at-risk youth, working parents, persons with disabilities, individuals with chronic illness, and persons with other conditions affecting their ability to function independently and productively. In addition, there is a need to link access to supportive services to affordable and appropriate housing. More coordination and collaboration is needed between housing providers and service providers. The Consolidated Plan proposes that the public infrastructure funds be focused strategically on fewer, but larger projects in low- and moderate-income neighborhoods. The goal is to create a concentration of activity for strategic and visible impacts that deliver greater efficiencies and effectuate positive changes within the community. Several potential funding sources have been identified to implement the objectives and outcomes of the Consolidated Plan. Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent and affordable housing, a suitable living environment, and economic opportunities, principally for persons of low- and moderate-income. Potential programs include: housing rehabilitation, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers or public services. Neighborhood Stabilization Program (NSP): Consistent with the objectives of the CDBG program, the goals of NSP include rapidly arresting the decline of targeted low-income neighborhoods negatively affected by abandoned, foreclosed, or vacant properties and the subsequent stabilization of these neighborhoods through improved economic opportunities, the provision of decent, affordable housing, and the development of a sustainable living

environment. HOME Investment Partnership Program (HOME): The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low- and moderate-income households. HOME funds can be used for activities that promote a suitable living environment, decent and affordable rental housing and homeownership by low- and moderate-income households, including reconstruction, moderate or substantial rehabilitation, removal of architectural barriers and tenant-based rental assistance. Emergency Solutions Grant (ESG): The ESG program provides homeless persons with basic shelter and essential supportive services to promote decent and affordable housing, a suitable living environment, and economic opportunities. ESG funds can be used for a variety of activities, including: rapid re-housing and homeless prevention activities, rehabilitation or remodeling of a building used as a new shelter, operations and maintenance of facilities and essential supportive services. Housing Opportunities for Persons with AIDS (HOPWA): The HOPWA Program provides grant funds to design long-term, comprehensive strategies for meeting the decent and affordable housing sustainable living environment needs for low- and moderate-income people living with HIV/AIDS. HOPWA funds can be used for acquisition, rehabilitation, or new construction of housing, rental assistance, and related supportive services.

3. Evaluation of past performance

SHRA measures performance using the Housing, Homeless and Community Development Needs Tables, which project and measure outputs and outcomes for CDBG, NSP, HOME and ESG. These tables summarize key data related to each of the Consolidated Plan goals.

These goals include:

- Develop, preserve, provide, and maintain affordable housing;
- Revitalize the low- and moderate-income neighborhoods with various infrastructure improvements including park, street, sidewalk, and sewer improvements; and
- Provide assistance to various public services, including homeless, youth, and senior programs.

HUD implemented this ongoing performance evaluation process to assess productivity, cost effectiveness, and the impact of projects and programs in City and County neighborhoods. SHRA prepares the Consolidated Annual Performance Evaluation and Reporting (CAPER), which captures progress toward meeting needs and achieving strategies. Through the monitoring of performance measures, staff is able to identify operational improvements, resource allocation issues, and policy questions to be addressed in the upcoming year. Overall, SHRA and its partners have been successful in implementing its public improvement and community service projects and programs and meeting the objectives established in the previous Consolidated Plan and foresees continued progress through the new Plan.

4. Summary of citizen participation process and consultation process

The preparation of the Consolidated Plan began with "in-reach" among public agencies in the City and County. SHRA sought first to identify potential needs, services gaps and key issues on which to focus the community outreach process. The City and County of Sacramento encourage community participation in the development of the five-year Consolidated Plan. With focused starting points of issues and needs, an extensive community outreach program was implemented. SHRA is responsible for coordinating the citizen participation process for Sacramento. Community meetings were advertised in newspapers of general circulations and on the SHRA website. They were also advertised public announcements made in newspapers of general circulation.

5. Summary of public comments

TEXT TO BE ADDED ON JANUARY 2, 2013 AFTER PUBLIC HEARING

6. Summary of comments or views not accepted and the reasons for not accepting them

TEXT TO BE ADDED ON JANUARY 2, 2013 AFTER PUBLIC HEARING

7. Summary

The overall priority for these federal funds is to increase self-sufficiency and economic opportunity for lower-income residents and individuals with special needs so that they can achieve a reasonable standard of living. Sacramento is committed to allocating funds that serve the needs of the lowest-income and most disadvantaged residents. Households with incomes less than 50 percent of the area median income, particularly those with extremely low-incomes (less than 30 percent of area median income), are particular priorities. Sacramento has also identified special-needs individuals as among those who face the greatest challenges and who should receive high priority in the expenditure of federal funds, including at-risk children and youth, lower-income families, the homeless and persons threatened with homelessness, the elderly (especially frail elderly), and persons with disabilities. Priorities can be achieved through a combination of 1) decent and affordable housing; 2) investment in community development activities in targeted lower-income and deteriorating neighborhoods and in facilities that serve lower-income populations; and 3) supportive services to maintain independence. Sacramento, by focusing on these overall priorities, seeks to address community concerns such as:

- A need for additional decent and affordable housing to address the growing gap between housing costs and local incomes, which leads to rising rates of overcrowding,

overpayment, and substandard housing conditions for Sacramento's lowest-income residents;

- Programs that improve community facilities and services laying the foundation for increased private investment, particularly in low-income areas;
- A network of shelters, housing, and services that prevent homelessness, including rapid re-housing and permanent housing, and the elimination of homelessness along the lines detailed in the 10-Year Plan to end chronic homelessness;
- Programs that promote economic development and create jobs and programs that increase the job skills level of potential employees; and
- Supportive services that increase the ability of seniors, persons with disabilities, and others with special needs to live independently and avoid institutions.



City of Sacramento
2013 One-Year Action Plan Activities

The U.S. Department of Housing and Urban Development (HUD) requires a consolidated planning process for the federal Community Development Block Grant (CDBG); HOME Investment Partnership Program (HOME); Housing Opportunities for Persons with AIDS (HOPWA); and Emergency Solutions Grant (ESG) programs. This process consolidates multiple grant application requirements into a single submission. The concept of the Consolidated Plan was developed to further HUD's statutory goals through a collaborative process involving the community to establish a unified vision for future community development actions.

The Five-Year Consolidated Plan outlines proposed strategies for the expenditure of CDBG, HOME, HOPWA, and ESG funds for the period 2013-17. In general, the mission of the Consolidated Plan is to revitalize selected lower-income neighborhoods and to assist disadvantaged populations by providing adequate public facilities and services, generating affordable housing opportunities, and stimulating economic development.

The One-Year Action Plan is the annual update to the 2013-17 Consolidated Plan. A key component of the One-Year Action Plan is the allocation of funds to proposed activities. This portion of the plan describes activities the jurisdiction will undertake in the coming year. Proposed activities address the priority needs and specific objectives of the five-year Consolidated Plan, proposed to be adopted by the Sacramento City Council in this report.

In addition, a description of other actions to further the Consolidated Plan strategies is required by HUD as part of the One-Year Action Plan application. These include the Public Housing Authority Administrative Plan, the Citizen Participation Plan, the Continuum of Care Plan and the 10-Year Plan to End Chronic Homelessness. These documents, on file with the Agency Clerk, are incorporated into this staff report and the record by this reference.

The One-Year Action Plan is based on the following estimated revenues

Revenue Source	Estimated Revenue
CDBG Entitlement	\$4,141,637
CDBG Program Income	\$66,949
HOME Entitlement	\$1,854,531
HOME Program Income	\$332,447
ESG Entitlement	\$452,693
HOPWA Entitlement	\$900,755
HOPWA Reprogramming	\$0
Total Revenue	\$7,749,012

The following summarizes proposed activities for 2013. Activities are organized into the following categories; funding totals for each category are indicated.

Funding Category	Proposed HUD Funding
Infrastructure and Public Improvements	\$865,963
Housing Development, Preservation and Homeownership	\$3,110,501
Public Services	\$1,902,402
Grant Planning and Administration	\$1,096,329
HUD Loan Repayments	\$350,686
CDBG Capital Reserve	\$423,131
Total Revenue	\$7,749,012

INFRASTRUCTURE AND PUBLIC IMPROVEMENTS

The following are recommended capital improvements of public or community-based facilities and public rights-of-way to be completed within 18 months. These activities, when appropriate, will be coordinated with other City Departments to maximize leveraging with the City's capital improvement plans.

Activity Name	Funding	Source
12th Street Streetscape Project: Funds will be used for the engineering design of the pedestrian improvements along 12th Street.	\$90,000	CDBG
Richards Boulevard Streetscape Project: Funds will be used for engineering design of streetscape and pedestrian improvements.	\$325,000	CDBG
R Street Phase II: Funds will be used to enhance pedestrian amenities, lighting, streetscaping, street furniture and other architectural treatment.	\$20,000	CDBG
R Street Phase III: Funds will be used for preliminary engineering, conceptual design and environmental clearance.	\$75,000	CDBG
D Street & 16th Street Traffic Signal: Funds will be used to design and construct new traffic signal at the intersection.	\$40,000	CDBG
Capital Improvement Project Scoping: Funding for early cost estimates, conceptual design, and/ or environmental for CDBG-eligible projects. Location and scope to be determined by an internal process of requests on first-come, first-served basis. CDBG staff to determine eligibility of activity.	\$100,000	CDBG
Public Improvements Implementation: Staffing and supportive services for capital improvement projects in 2013.	\$215,963	CDBG
Total Infrastructure and Public Improvements	\$865,963	

HOUSING DEVELOPMENT, PRESERVATION AND HOMEOWNERSHIP

The following are recommended activities that increase the marketability and livability of neighborhoods

Activity Name	Funding	Source
Multi-Family Housing Acquisition and Rehabilitation: Provides loans for the acquisition and rehabilitation of low- and moderate-income multi-family housing.	\$552,000	CDBG
	\$66,949	CDBG PI
	\$834,539	HOME
	\$166,224	HOME PI
Multi-Family Housing New Construction: Provides loans for the construction of multi-family housing.	\$834,539	HOME
	\$166,223	HOME PI
Emergency Repair Program/Accessibility Grant Program (ERP-A): This program provides grants of up to \$5,000 each to very-low income homeowners for emergency health and safety repairs as well as grants to low-income disabled residents for accessibility modifications.	\$300,000	CDBG

Minor Repair & ADA for Seniors and Low Income Homeowners Program: Provides for administrative costs associated with minor home repairs for low- and moderate-income homeowners and the administrative oversight for the Home Assistance Repair Program for Seniors (HARPS).	\$46,000	CDBG
Housing Programs Delivery: Supportive services for the multi-family rehabilitation/new construction, emergency repair/accessibility programs in 2013.	\$144,027	CDBG
Total Housing Development, Preservation, and Homeownership	\$3,110,501	

PUBLIC SERVICES

The following are recommended funding allocations to support human assistance programs. For CDBG, HUD limits funding for public services to 15 percent of the total amount of entitlement and program income.

Activity Name	Funding	Source
Emergency Solutions Grant: Funding of shelter(s) to provide approximately 100-bed 24-hour shelter for women and children, with a 90-day maximum stay and to prevent homelessness.	\$407,424	ESG
Homeless Activities: Funds will be used to design, administer, and implement homeless programs including but not limited to housing and shelter, medical and counseling services, and the provision of food.	\$69,621	CDBG
Senior Nutrition Program: Provides meals to homebound seniors and to non-homebound seniors at over 21 dining sites.	\$431,625	CDBG
Downtown SRO Supportive Services: Provides coordination of health and human services, crisis intervention, independent living skills, drug and alcohol recovery, and community building activities at four downtown hotels. The service center is located at 719 J Street.	\$120,000	CDBG
HOPWA: STRMU, Case Management, Housing, Supportive Services & Administration	\$873,732	HOPWA
HOPWA - Short-Term Rent Mortgage & Utilities (STRMU): Provides for short-term emergency housing assistance for persons with HIV/AIDS in the City and County of Sacramento.		HOPWA
HOPWA - Emergency Shelter (Open Arms): An emergency shelter for homeless individuals with HIV/AIDS. Individuals are eligible for 90 days of emergency shelter including a thorough needs assessment, intensive case management services, advocacy in securing mainstream services, life skills and health education, meals, limited transportation and assistance in securing housing within the continuum of care including permanent housing.		HOPWA
HOPWA - Permanent Housing (Colonia San Martin): Provides permanent housing with supportive services for persons with HIV/AIDS and mental disabilities in a community setting with 40 units – 25 one bedroom units, 12 two bedroom units and 3 three bedroom units. Also provides weekly supportive services and educational and social activities for all the residents (60 units).		HOPWA

HOPWA - Case Management: Provides intensive case management to 30 individuals participating in the Shelter Plus Care program and 30 individuals who live in other housing, who may be single or a member of a family, and are formerly homeless persons living with HIV/AIDS.

HOPWA

HOPWA - Permanent Housing (Southside House): This community is 9 room Victorian home for mental health consumers who are diagnosed with AIDS or HIV+ and are homeless or at risk of homelessness. This is a permanent housing option and it offers supportive staff member to assist clients in refining and developing the skills and setting goals necessary to attain independence in the community.

HOPWA

HOPWA - Short-Term Rent Mortgage & Utilities - Placer County (STRMU): Provides for short-term emergency housing assistance for persons with HIV/AIDS living in Placer County.

HOPWA

HOPWA - Short-Term Rent Mortgage & Utilities - El Dorado County (STRMU): Provides for short-term emergency housing assistance for persons with HIV/AIDS living in El Dorado County.

HOPWA

HOPWA - Short-Term Rent Mortgage & Utilities - Yolo County (STRMU) Provides for short-term emergency housing assistance for persons with HIV/AIDS living in Yolo County.

HOPWA

HOPWA - Permanent Housing (Steven Place, Hidden Cove, & Cornerstone): Stevens Place covers 30 units of housing: 15 at Stevens Place, 9 at Hidden Cove and 6 at Cornerstone. There is also 1 resident manager unit at Stevens Place, the manager provides coverage at all three locations. Case management is provided at all three locations.

HOPWA

Total Public Services

\$1,902,402

HUD LOAN REPAYMENTS

The following debt service payments for HUD Section 108 loans and internal SHRA loans for commercial revitalization, job creation, and infrastructure development.

Section 108 Loan Repayment : Annual debt service payment on Section 108 loan funds. If program income is utilized towards the debt service payment then unused entitlement funds will be utilized towards project costs.	\$350,686	CDBG
---	------------------	------

GRANT PLANNING AND ADMINISTRATION

The following are related to immediate/intermediate term CDBG program planning, community participation and general program administration. For CDBG, HUD limits funding for planning and administration to 20 percent of the total amount of entitlement and program income. For HOME, the limit is 10 percent.

Homeless Activities: Administrative services for the implementation of Homeless activities in 2013.	\$45,257	CDBG
--	-----------------	------

ESG Program Administration: Administrative services for the implementation of ESG-funded activities in 2013.	\$45,269	ESG
---	-----------------	-----

HOME Program Administration: Administrative services for the implementation of HOME-funded activities in 2013.	\$185,453	HOME
HOPWA Program Administration: Administrative services for the implementation of HOPWA-funded activities in 2013.	\$27,023	HOPWA
CNI Marina Vista: Funds will be used to undertake community outreach and necessary supportive services to carryout the required activities for the CNI planning grant in preparation of applying for the CNI implementation grant.	\$200,000	CDBG
CDBG Planning and Administration: Administrative & Planning services for CDBG programs in 2013.	\$593,327	CDBG
Total Grant Planning and Administration:	\$1,096,329	

CDBG CAPITAL RESERVE

Capital Reserve: Reserve account for overruns in capital improvement activities and to fund budgeted activities in 2013 if CDBG entitlement is less than anticipated. The reserve is also available to cover unanticipated project and program costs to bring an activity to completion. The full amount of the reserve is available to ensure the timely completion of the activities.	\$423,131	CDBG
--	-----------	------



**City of Sacramento
Defunded Activities for Various Years' Action Plan**

Activities being defunded are those that have been completed, cancelled or funded through alternative sources. Newly funded activities are scheduled to be implemented and completed by December 31, 2012 to comply with federal regulations governing the timely expenditure of funds.

CDBG		
Recommendation	Amount	Fund
Capital Reserve: Fund reserve account for overruns in capital improvement activities and to fund budgeted activities in 2012 if CDBG entitlement is less than anticipated. Funds to be transferred to FOCIS Housing Inspection Program.	\$100,000	CDBG
Total	\$100,000	



**City of Sacramento
Amendment to 2012 Action Plan and Substantial Amendment Activities**

This report formally amends the 2012 Action Plan by augmenting existing and new projects with CDBG. These activities have been identified as those that need immediate funding. Also, these adjustments will facilitate timely expenditures as required by HUD.

CDBG		
Recommendation	Amount	Fund
FOCIS Program: Additional funds will be used for City building inspectors for an 18-month pilot program to operate a geographically focused single-family inspection strategy addressing problem properties in the targeted area.	\$100,000	CDBG
Total	\$100,000	



**City of Sacramento
Environmental Determination**

Supportive Services (no physical impact) - NEPA per 24 CFR Section 58.35(b)(2) and CEQA per Guidelines Section 15061 (b)(3):

The Action Plan includes funding for services and staff for the following programs, which will have no physical impact on the environment. These are considered supportive services and are categorically excluded under NEPA. These programs are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. **Environmental Review is complete for these activities; no further environmental review is required.**

- Emergency Solutions Grant Program (ESG)
- Homeless Activities
- Senior Nutrition Program
- Downtown SRO Supportive Services
- Housing Programs Delivery
- HOPWA - Volunteers of America – Open Arms
- HOPWA - AIDS Housing Alliance – Saint Martin De Porras
- HOPWA - AIDS Housing Alliance – Steven Place
- HOPWA - Center for AIDS Research, Education and Services (CARES)
- HOPWA – Transitional Living and Community Support (TLCS)
- HOPWA – CommuniCare Health Clinics – Emergency Housing Assistance
- HOPWA - Placer County – Emergency Housing Assistance
- HOPWA - El Dorado County – Emergency Housing Assistance

Operating Costs (staff costs) - NEPA per 24 CFR Section 58.35 (b)(3) and CEQA per Guidelines Section 15378 (b)(2):

The Action Plan includes funding for staffing only for the following programs, which will have no physical impact on the environment. Staffing costs are considered operating costs and are categorically excluded under NEPA. Costs for staffing are not considered a project under CEQA. **Environmental Review is complete for these activities; no further environmental review is required.**

- Community Development Block Grant Administration
- ESG Administration
- HOPWA Administration
- Minor Repair & ADA for Seniors and Low Income Homeowners Program Administration
- HOME Administration
- Public Improvement Delivery
- Section 108 Custodial Accounts
- Section 108 Loan Repayment - Del Paso Nuevo

Planning and Feasibility Studies - NEPA per 24 CFR Section 58.34 (a)(1) and CEQA per Guidelines Section 15262:

The Action Plan includes funding for planning and feasibility studies only, which may include funding for environmental planning, for the following programs. These actions are considered environmental and other studies, resource identification and the development of plans and strategies, and are exempt under NEPA. As feasibility and planning studies only, with no legally binding effect on later activities, these activities are also exempt under CEQA. **Environmental Review is complete for the feasibility and planning studies associated with these programs only; if these studies identify specific projects, further environmental review will be required prior to taking any choice limiting action or discretionary action on those specific projects.**

- Community Development Block Grant Planning and Scoping
- CNI Marina Vista
- 12th Street Streetscape Engineering Design
- Richards Boulevard Streetscape and Pedestrian Engineering Design
- R Street Phase III Design
- D Street & 16th Street Traffic Signal Design
- Capital Improvement Project Scoping

Financial Assistance for Acquisition and/or Rehabilitation of Existing Structures - NEPA per 24 CFR 58.35 (a)(3) and (a)(5) and CEQA per Guidelines Section 15301:

The Action Plan includes funding for acquisition of land or properties, and/or rehabilitation of existing structures for the following programs. Both acquisition and rehabilitation of existing structures are categorically excluded under NEPA, assuming that the requirements of 24 CFR 58.35 (a) are met. These activities are also categorically exempt under CEQA. **Environmental Review is complete for these programs; however, as individual properties are identified for acquisition and/or rehabilitation, additional review shall be performed to complete NEPA requirements. Additional review may also be required if site specific rehabilitation, as it is further identified, allows for changes in use or capacity.**

- Multi-Family Acquisition and Rehabilitation Program
- Affordable Housing Rehabilitation Program
- Single-Family Rehabilitation Loan Program

Rehabilitation/Reconstruction of Existing Public Facilities - NEPA per 24 CFR 58.35 (a)(1) and CEQA per Guidelines Section 15301(c) and 15304(b):

The Action Plan includes funding for rehabilitation of existing public facilities within existing right of way under the following programs. Rehabilitation and reconstruction of existing public facilities and improvements are categorically excluded under NEPA, assuming that the requirements of 24 CFR 58.35 (a) are met. These activities are also categorically exempt under CEQA. **Environmental Review is complete for these programs; however, as individual improvements are identified, additional review will be needed to complete NEPA**

requirements. Additional review may also be required if identified improvements allow for changes in use or capacity.

- R Street Phase II

The remaining programs and actions included in the 2012 Action Plan have program specific environmental review as described below:

- **Emergency Repair Program/Accessibility Grant Program** – This program includes: an emergency repair component, which will be limited to repair and improvements to existing structures to control threats to public safety; and, an accessibility improvements component, which will remove barriers that restrict mobility of and accessibility by elderly and disabled persons. The emergency repairs component is exempt under NEPA pursuant to 24 CFR 58.34 (a)(10), and categorically exempt pursuant to CEQA Guidelines Section 15301. The accessibility component is categorically excluded under NEPA pursuant to 24 CFR 58.35 (a)(2), and categorically exempt pursuant to CEQA Guidelines Section 15301. **Environmental Review is complete for the emergency repair component of this program; no further environmental review is required. As individual properties are identified for the accessibility component, additional review will be needed to complete NEPA requirements.**
- **First-Time Homebuyer Assistance Program** – This program consists of financial assistance to aid first-time homebuyers in purchasing existing dwelling units. These activities are categorically excluded under NEPA pursuant to 24 CFR 58.35 (b) (5) and categorically exempt pursuant to CEQA Guidelines Section 15310. **Environmental Review is complete for this program; no further environmental review is required.**
- **Multi-Family Housing New Construction** – This program consists of financial assistance for the construction of new multi-family housing projects. The actions included in this 2011 Action Plan do not include any funding commitments or approvals for any specific project. **Environmental Review will be required for individual projects as they are identified and will be completed prior to any choice limiting action or discretionary action.**

MASTER PROJECT AGREEMENT FOR CDBG FUNDING FOR
PROJECTS AND SERVICES IN SUPPORT OF COMMUNITY
DEVELOPMENT AND AFFORDABLE HOUSING PROGRAMS IN
THE CITY OF SACRAMENTO

This MASTER PROJECT AGREEMENT ("Agreement") is made and entered into as of January 8, 2013, ("Effective Date") by and between the CITY OF SACRAMENTO ("CITY") a municipal corporation, the SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY ("SHRA"), a joint powers authority.

Recitals

- A. The CITY and SHRA have been working together for 30 years to redevelop various neighborhoods in the City of Sacramento into vibrant, retail, commercial and residential communities.
- B. Since July 12, 1983, SHRA has managed the CITY's Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with Aids (HOPWA) programs funded by the US Department of Housing and Community Development (HUD). SHRA's administrative services for managing these HUD grant programs on behalf of CITY is funded with the administrative allowance authorized by HUD.
- C. Previously, the Redevelopment Agency of the City of Sacramento (RDA) was designated to perform the HUD grant draw function on behalf of CITY. The RDA was dissolved by statute (AB 1x 26) as of February 1, 2012. HUD requires a local government unit to perform grant draws and the City Council has designated the Housing Authority of the City of Sacramento ("Authority", a constituent entity of SHRA,) to perform that function for CITY.
- D. HUD has established a new regulation, Homeless Emergency and Rapid Transition to Housing (HEARTH). The City Council has taken action to authorize the Authority to administer the HEARTH regulation on behalf of CITY.
- E. Each year, CITY approves the Action Plan and every five years CITY approves the Consolidated Plan regarding the expenditure of HUD grant funds for all of foregoing HUD programs. From time to time, CITY provides services to the SHRA or the SHRA provides services to the CITY, and undertakes projects which are funded with CDBG grants as set forth in Action Plans as approved by the City Council and the appropriate governing board for SHRA.
- F. The purpose of this Agreement is to authorize the City Manager and the SHRA Executive Director to execute Individual Project Agreements ("IPA") for specific services or improvement projects to be undertaken by SHRA or CITY funded with CDBG grants as set forth in the Action Plans.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual commitments as hereinafter set forth, CITY and SHRA enter into this Agreement for the purpose of establishing each party's rights and obligations with regard to the expenditure of CDBG funds allocated to CITY follows:

1. The services and improvement projects to be performed shall be secured through Individual Project Agreements (IPA) executed by the City Manager on behalf of the CITY and the Executive Director on behalf of SHRA. IPAs may only be executed if the cost to cover such services has been provided for in the SHRA budget. IPAs for CITY improvement projects must be included in the CITY's adopted Capital Improvement Program or otherwise approved by the City Council if such approval is required under the City Code. All services and improvement projects under an IPA must be included in an approved Action Plan.
2. Each IPA shall include, at a minimum, the following items:
 - (a) a specific description of the services to be provided or a scope of work for the project to be completed;
 - (b) the time for performance and termination rights;
 - (c) the amount of compensation;
 - (d) the source of the compensation (or budget item reference);
 - (e) the schedule for payments, if applicable;
 - (f) the department responsible for the provision of services or implementation of the project; and
 - (g) mutual indemnity provisions.
3. Any IPA for either the provision of services or implementation of the project shall be issued only in compliance with all applicable federal, state and local laws, funding source requirements, and the adopted policies of the parties.
4. Each IPA shall become legally binding upon execution of the CITY Manager and the SHRA Executive Director. No prior review shall be required by the City Council or the Sacramento Housing and Redevelopment Commission.
5. This Agreement supersedes City Agreement No. 2001- 224.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CITY OF SACRAMENTO

SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY

John F. Shirey, City Manager

LaShelle Dozier, Executive Director

Approved as to Form:

Approved as to Form:

Senior Deputy City Attorney

Agency Counsel

ATTEST:

ATTEST:

Assistant City Clerk

Agency Clerk

RESOLUTION NO. 2012 -

Adopted by the Housing Authority of the City of Sacramento

on date of

APPROVAL OF THE 2013-17 CONSOLIDATED PLAN AND THE ADOPTION OF THE 2013 ONE-YEAR ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT, (CDBG), HOME INVESTMENT PARTNERSHIP PROGRAM (HOME), HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) AND EMERGENCY SOLUTIONS GRANT (ESG) FUNDED PROJECTS AND PROGRAMS; AMENDMENT TO PREVIOUS YEARS' ACTION PLANS; AMENDMENT TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) AND HOUSING AUTHORITY BUDGETS; AND EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF FEDERAL PROGRAMS

BACKGROUND

- A. The U.S. Department of Housing and Urban Development (HUD) requires adoption of a Five-Year Consolidated Plan (Con Plan) and an annual Action Plan, consistent with the Con Plan, to identify the programs and projects for expenditure of federal Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Housing Opportunities for Persons With AIDS (HOPWA), and Emergency Solutions Grant (ESG) funds.
- B. Since 1982 (by Resolutions 82-424, RA-94, HA-1526 and the joint powers agreement), the Sacramento Housing and Redevelopment Agency (SHRA) on behalf of its constituent entities has served as the public entity designated to efficiently administer the CDBG and HOME funding originating from the HUD, including on behalf of the City of Sacramento. However, HUD requires a local government agency to draw down federal funds. With the dissolution of the Redevelopment Agency of the City of Sacramento, Resolution No. 82-425 needs to be repealed and the Housing Authority of the City of Sacramento designated to perform the federal grant draws on behalf of the City of Sacramento.
- C. The Sacramento County Department of Human Assistance (DHA) previously administered the HOPWA program on behalf of the City of Sacramento for the Counties of Sacramento, El Dorado, Placer and Yolo, and has subsequently requested that SHRA administer HOPWA (effective January 1, 2012);
- D. Due to the decline of financial resources, the Director of DHA formally requested to that SHRA also administer the ESG program (effective January 1, 2013) on behalf of the City of Sacramento.

- E. The regulations for the Continuum of Care were modified with the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, which now states that rental assistance must be administered by a state, local government or a Public Housing Agency.
- F. Community development grants from HUD administered directly by the recipient are required to secure environmental clearance; SHRA is designated as the agent for the City of Sacramento, which is the general unit of local government for the purpose of the HUD regulations, and SHRA is authorized to submit a determination of environmental clearance on the City's behalf and on behalf of non-profit organizations which are sub-grantees.
- G. A noticed public workshop soliciting comments on the 2013-17 Consolidated Plan was held on October 25, 2012.
- H. A noticed public hearing soliciting comments on the 2013-17 Consolidated Plan and the 2013 One-Year Action Plan was held by the Sacramento Housing and Redevelopment Commission on January 2, 2013.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The 2013-17 Consolidated Plan, which lays out the strategies and goals for CDBG, HOME, HOPWA, and ESG programs, as set out in Exhibit A is adopted.
- Section 2. With the adoption of the 2013-17 Consolidated Plan, SHRA is hereby responsible for the administration of the HOPWA and ESG programs on behalf of the City of Sacramento.
- Section 3. The City Manager and the SHRA Executive Director are authorized to enter into the revised Memorandum of Understanding (MOU) for SHRA's continued administration of the CDBG, HOME, HOPWA, and ESG grants on behalf of the City of Sacramento.
- Section 4. The 2013 One-Year Action Plan, which allocates anticipated CDBG, HOME, HOPWA and ESG funds to various programs and projects as set out in Exhibit B, is adopted.
- Section 5. City resolution 82-425 is hereby repealed and the Housing Authority of the City of Sacramento, staffed by SHRA, is hereby designated as the entity for administering the Action Plans funding and the federal grant draw function on behalf of the City of Sacramento.
- Section 6. The One-Year Action Plan amendment, to defund the activities set

forth in Exhibit C and to add the projects set out in Exhibit D, is adopted.

- Section 7. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated in Exhibit E, are approved.
- Section 8. The Executive Director, or designee, is authorized to amend the SHRA budget to allocate the CDBG funding for programs and projects in accordance with the amendment of the prior years' Action Plan; allocate the CDBG, HOME, HOPWA and ESG grant funding for programs and projects as set out in the 2013 One-Year Action Plan; and to amend the 2013 CDBG Capital Reserve, HOME and HOPWA budgets to the extent necessary to implement and ensure the timely completion of the activities set out in Exhibits B, C and D. In addition, SHRA's Executive Director, or designee, is authorized to amend the SHRA budget to allocate and amend the 2011 and 2012 ESG budgets to the extent necessary to implement and ensure timely completion of the activities as set out in prior years' Action Plans and in the 2013 Action Plan activities.
- Section 9. SHRA is authorized and delegated authority to act as agent on behalf of the City of Sacramento to submit the amendment of prior years' Action Plan(s) and the 2013 One-Year Action Plan to HUD; execute the subsequent grant agreements with HUD; and to execute agreements and contracts with the appropriate entities to carry out the CDBG, HOME, HOPWA, and ESG projects in accordance with the 2013 One-Year Action Plan. All such agreements shall be in compliance with applicable federal law.
- Section 10. The City Manager is authorized to execute agreements with SHRA to carry out the activities contained in the 2013 One-Year Action Plan. All such agreements shall be in compliance with applicable federal law.
- Section 11. SHRA's Executive Director, or designee, is authorized to make any budget adjustments and execute any and all related documents, including invoicing, contracts and amendments as necessary to carry out the federal programs.
- Section 12. The Housing Authority of the City of Sacramento, staffed by SHRA, is authorized to administer rental assistance for homeless families in accordance with the HEARTH regulations on behalf of the City of Sacramento.
- Section 13. SHRA's Executive Director, or designee, is further authorized to amend its budget and execute associated agreements, contracts

and documents with the appropriate entities to carry out these activities in compliance with applicable adopted policies, guidelines and federal law as approved to form by SHRA Counsel.

Table of Contents

- Exhibit A 2013-17 Consolidated Plan Executive Summary
- Exhibit B 2013 Action Plan Activities
- Exhibit C Project and Program Defunding
- Exhibit D Various Years' One-Year Action Plan Activities
- Exhibit E Environmental Determination



2013-17 Consolidated Plan

ES-05 Executive Summary

1. Introduction

HUD transformed the Consolidated Plan into a tool for priority-setting and targeted investment planning for housing and community development. These tools are designed to support need-driven, place-based decisions and informed public participation in guiding funding decisions in the next five years for specific federal funds (Community Development Block Grant, Neighborhood Stabilization Program, HOME Investment Partnership Program, Emergency Solutions Grant and Housing Opportunities for Persons with AIDS) to identify needs and adopt strategies to address those needs, focusing primarily on low- and moderate-income individuals and households. The Consolidated Plan must also address "special-needs" identified by the federal government or locally, such as the needs of the elderly, persons with disabilities, homeless individuals and others. The Sacramento Housing and Redevelopment Agency (SHRA) was selected by the U.S. Department of Housing and Urban Development (HUD) to participate as a community to create a pilot regional Consolidated Plan covering the City and County of Sacramento for the period covering 2013-17. This regional plan includes the Sacramento Urban County Agreement Cities of Folsom, Isleton and Galt, and the Consortium of the unincorporated County that includes the City of Citrus Heights. SHRA administers the Consolidated Plan on behalf of the City and County of Sacramento. The County of Sacramento (County) is the eighth most populated county in the State of California, consisting of urbanized neighborhoods, suburban cities, and rural communities. The range of issues confronting the County is as diverse

as its residents. The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. According to the U.S. Census, the County has a population of over 1.4 million residents, of whom approximately 553,900 live in the Urban County area. The Urban County consists of the cities of Folsom (approximately 72,000), Isleton (approximately 800) and Galt (approximately 23,650), and the unincorporated communities of the County. The City of Sacramento (City) has a population of approximately 466,740 people. The diverse population of the Sacramento Region has divergent needs to help attain personal, educational, employment, recreational, housing, and other goals. Sacramento is struggling to balance limitations on available resources and the need to address some very critical issues including: a severe shortage of housing affordable to low- and moderate-income residents, homelessness, aging infrastructure and community facilities, inadequate services, and underemployment. A segment of the population faces increasingly challenging issues as the regional economy continues to grow and housing costs continue to rise faster than local incomes. To meet its community's needs, this Consolidated Plan is guided by three overarching goals that are applied according to its community's needs. The three overarching goals are:

- To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs, and transitioning homeless persons and families into housing.
- To provide a suitable living environment through safer, more livable neighborhoods, greater integration of low- and moderate-income residents throughout Sacramento, increased housing opportunities, and reinvestment in deteriorating neighborhoods.
- To expand economic opportunities through more jobs paying self-sufficient wages, greater homeownership opportunities, development activities that promote long-term community viability, and the empowerment of low- and moderate-income persons to achieve self-sufficiency.

2. Summary of the objectives and outcomes identified in the Plan Needs

Assessment Overview

There is an ongoing gap within Sacramento, in various degrees, in the availability of services across most categories of special need. This includes seniors, at-risk youth, working parents, persons with disabilities, individuals with chronic illness, and persons with other conditions affecting their ability to function independently and productively. In addition, there is a need to link access to supportive services to affordable and appropriate housing. More coordination and collaboration is needed between housing providers and service providers. The Consolidated Plan

proposes that the public infrastructure funds be focused strategically on fewer, but larger projects in low-and moderate-income neighborhoods. The goal is to create a concentration of activity for strategic and visible impacts that deliver greater efficiencies and effectuate positive changes within the community. Several potential funding sources have been identified to implement the objectives and outcomes of the Consolidated Plan. Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent and affordable housing, a suitable living environment, and economic opportunities, principally for persons of low- and moderate-income. Potential programs include: housing rehabilitation, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers or public services. Neighborhood Stabilization Program (NSP): Consistent with the objectives of the CDBG program, the goals of NSP include rapidly arresting the decline of targeted low-income neighborhoods negatively affected by abandoned, foreclosed, or vacant properties and the subsequent stabilization of these neighborhoods through improved economic opportunities, the provision of decent, affordable housing, and the development of a sustainable living environment. HOME Investment Partnership Program (HOME): The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low- and moderate-income households. HOME funds can be used for activities that promote a suitable living environment, decent and affordable rental housing and homeownership by low- and moderate-income households, including reconstruction, moderate or substantial rehabilitation, removal of architectural barriers and tenant-based rental assistance. Emergency Solutions Grant (ESG): The ESG program provides homeless persons with basic shelter and essential supportive services to promote decent and affordable housing, a suitable living environment, and economic opportunities. ESG funds can be used for a variety of activities, including: rapid re-housing and homeless prevention activities, rehabilitation or remodeling of a building used as a new shelter, operations and maintenance of facilities and essential supportive services. Housing Opportunities for Persons with AIDS (HOPWA): The HOPWA Program provides grant funds to design long-term, comprehensive strategies for meeting the decent and affordable housing sustainable living environment needs for low- and moderate-income people living with HIV/AIDS. HOPWA funds can be used for acquisition, rehabilitation, or new construction of housing, rental assistance, and related supportive services.

3. Evaluation of past performance

SHRA measures performance using the Housing, Homeless and Community Development Needs Tables, which project and measure outputs and outcomes for CDBG, NSP, HOME and ESG. These tables summarize key data related to each of the Consolidated Plan goals.

These goals include:

- Develop, preserve, provide, and maintain affordable housing;
- Revitalize the low- and moderate-income neighborhoods with various infrastructure improvements including park, street, sidewalk, and sewer improvements; and
- Provide assistance to various public services, including homeless, youth, and senior programs.

HUD implemented this ongoing performance evaluation process to assess productivity, cost effectiveness, and the impact of projects and programs in City and County neighborhoods. SHRA prepares the Consolidated Annual Performance Evaluation and Reporting (CAPER), which captures progress toward meeting needs and achieving strategies. Through the monitoring of performance measures, staff is able to identify operational improvements, resource allocation issues, and policy questions to be addressed in the upcoming year. Overall, SHRA and its partners have been successful in implementing its public improvement and community service projects and programs and meeting the objectives established in the previous Consolidated Plan and foresees continued progress through the new Plan.

4. Summary of citizen participation process and consultation process

The preparation of the Consolidated Plan began with "in-reach" among public agencies in the City and County. SHRA sought first to identify potential needs, services gaps and key issues on which to focus the community outreach process. The City and County of Sacramento encourage community participation in the development of the five-year Consolidated Plan. With focused starting points of issues and needs, an extensive community outreach program was implemented. SHRA is responsible for coordinating the citizen participation process for Sacramento. Community meetings were advertized in newspapers of general circulations and on the SHRA website. They were also advertized public announcements made in newspapers of general circulation.

5. Summary of public comments

TEXT TO BE ADDED ON JANUARY 2, 2013 AFTER PUBLIC HEARING

6. Summary of comments or views not accepted and the reasons for not accepting them

TEXT TO BE ADDED ON JANUARY 2, 2013 AFTER PUBLIC HEARING

7. Summary

The overall priority for these federal funds is to increase self-sufficiency and economic opportunity for lower-income residents and individuals with special needs so that they can achieve a reasonable standard of living. Sacramento is committed to allocating funds that serve the needs of the lowest-income and most disadvantaged residents. Households with incomes less than 50 percent of the area median income, particularly those with extremely low-incomes (less than 30 percent of area median income), are particular priorities. Sacramento has also identified special-needs individuals as among those who face the greatest challenges and who should receive high priority in the expenditure of federal funds, including at-risk children and youth, lower-income families, the homeless and persons threatened with homelessness, the elderly (especially frail elderly), and persons with disabilities. Priorities can be achieved through a combination of 1) decent and affordable housing; 2) investment in community development activities in targeted lower-income and deteriorating neighborhoods and in facilities that serve lower-income populations; and 3) supportive services to maintain independence. Sacramento, by focusing on these overall priorities, seeks to address community concerns such as:

- A need for additional decent and affordable housing to address the growing gap between housing costs and local incomes, which leads to rising rates of overcrowding, overpayment, and substandard housing conditions for Sacramento's lowest-income residents;
- Programs that improve community facilities and services laying the foundation for increased private investment, particularly in low-income areas;
- A network of shelters, housing, and services that prevent homelessness, including rapid re-housing and permanent housing, and the elimination of homelessness along the lines detailed in the 10-Year Plan to end chronic homelessness;
- Programs that promote economic development and create jobs and programs that increase the job skills level of potential employees; and
- Supportive services that increase the ability of seniors, persons with disabilities, and others with special needs to live independently and avoid institutions.

**City of Sacramento
2013 One-Year Action Plan Activities**

The U.S. Department of Housing and Urban Development (HUD) requires a consolidated planning process for the federal Community Development Block Grant (CDBG); HOME Investment Partnership Program (HOME); Housing Opportunities for Persons with AIDS (HOPWA); and Emergency Solutions Grant (ESG) programs. This process consolidates multiple grant application requirements into a single submission. The concept of the Consolidated Plan was developed to further HUD's statutory goals through a collaborative process involving the community to establish a unified vision for future community development actions.

The Five-Year Consolidated Plan outlines proposed strategies for the expenditure of CDBG, HOME, HOPWA, and ESG funds for the period 2013-17. In general, the mission of the Consolidated Plan is to revitalize selected lower-income neighborhoods and to assist disadvantaged populations by providing adequate public facilities and services, generating affordable housing opportunities, and stimulating economic development.

The One-Year Action Plan is the annual update to the 2013-17 Consolidated Plan. A key component of the One-Year Action Plan is the allocation of funds to proposed activities. This portion of the plan describes activities the jurisdiction will undertake in the coming year. Proposed activities address the priority needs and specific objectives of the five-year Consolidated Plan, proposed to be adopted by the Sacramento City Council in this report.

In addition, a description of other actions to further the Consolidated Plan strategies is required by HUD as part of the One-Year Action Plan application. These include the Public Housing Authority Administrative Plan, the Citizen Participation Plan, the Continuum of Care Plan and the 10-Year Plan to End Chronic Homelessness. These documents, on file with the Agency Clerk, are incorporated into this staff report and the record by this reference.

The One-Year Action Plan is based on the following estimated revenues

Revenue Source	Estimated Revenue
CDBG Entitlement	\$4,141,637
CDBG Program Income	\$66,949
HOME Entitlement	\$1,854,531
HOME Program Income	\$332,447
ESG Entitlement	\$452,693
HOPWA Entitlement	\$900,755
HOPWA Reprogramming	\$0
Total Revenue	\$7,749,012

The following summarizes proposed activities for 2013. Activities are organized into the following categories; funding totals for each category are indicated.

Funding Category	Proposed HUD Funding
Infrastructure and Public Improvements	\$865,963
Housing Development, Preservation and Homeownership	\$3,110,501
Public Services	\$1,902,402
Grant Planning and Administration	\$1,096,329
HUD Loan Repayments	\$350,686
CDBG Capital Reserve	\$423,131
Total Revenue	\$7,749,012

INFRASTRUCTURE AND PUBLIC IMPROVEMENTS

The following are recommended capital improvements of public or community-based facilities and public rights-of-way to be completed within 18 months. These activities, when appropriate, will be coordinated with other City Departments to maximize leveraging with the City's capital improvement plans.

Activity Name	Funding	Source
12th Street Streetscape Project: Funds will be used for the engineering design of the pedestrian improvements along 12th Street.	\$90,000	CDBG
Richards Boulevard Streetscape Project: Funds will be used for engineering design of streetscape and pedestrian improvements.	\$325,000	CDBG
R Street Phase II: Funds will be used to enhance pedestrian amenities, lighting, streetscaping, street furniture and other architectural treatment.	\$20,000	CDBG
R Street Phase III: Funds will be used for preliminary engineering, conceptual design and environmental clearance.	\$75,000	CDBG
D Street & 16th Street Traffic Signal: Funds will be used to design and construct new traffic signal at the intersection.	\$40,000	CDBG
Capital Improvement Project Scoping: Funding for early cost estimates, conceptual design, and/ or environmental for CDBG-eligible projects. Location and scope to be determined by an internal process of requests on first-come, first-served basis. CDBG staff to determine eligibility of activity.	\$100,000	CDBG
Public Improvements Implementation: Staffing and supportive services for capital improvement projects in 2013.	\$215,963	CDBG
Total Infrastructure and Public Improvements	\$865,963	

HOUSING DEVELOPMENT, PRESERVATION AND HOMEOWNERSHIP

The following are recommended activities that increase the marketability and livability of neighborhoods

Activity Name	Funding	Source
Multi-Family Housing Acquisition and Rehabilitation: Provides loans for the acquisition and rehabilitation of low- and moderate-income multi-family housing.	\$552,000	CDBG
	\$66,949	CDBG PI
	\$834,539	HOME
	\$166,224	HOME PI
Multi-Family Housing New Construction: Provides loans for the construction of multi-family housing.	\$834,539	HOME
	\$166,223	HOME PI
Emergency Repair Program/Accessibility Grant Program (ERP-A): This program provides grants of up to \$5,000 each to very-low income homeowners for emergency health and safety repairs as well as grants to low-income disabled residents for accessibility modifications.	\$300,000	CDBG

Minor Repair & ADA for Seniors and Low Income Homeowners Program: Provides for administrative costs associated with minor home repairs for low- and moderate-income homeowners and the administrative oversight for the Home Assistance Repair Program for Seniors (HARPS).	\$46,000	CDBG
Housing Programs Delivery: Supportive services for the multi-family rehabilitation/new construction, emergency repair/accessibility programs in 2013.	\$144,027	CDBG
Total Housing Development, Preservation, and Homeownership	\$3,110,501	

PUBLIC SERVICES

The following are recommended funding allocations to support human assistance programs. For CDBG, HUD limits funding for public services to 15 percent of the total amount of entitlement and program income.

Activity Name	Funding	Source
Emergency Solutions Grant: Funding of shelter(s) to provide approximately 100-bed 24-hour shelter for women and children, with a 90-day maximum stay and to prevent homelessness.	\$407,424	ESG
Homeless Activities: Funds will be used to design, administer, and implement homeless programs including but not limited to housing and shelter, medical and counseling services, and the provision of food.	\$69,621	CDBG
Senior Nutrition Program: Provides meals to homebound seniors and to non-homebound seniors at over 21 dining sites.	\$431,625	CDBG
Downtown SRO Supportive Services: Provides coordination of health and human services, crisis intervention, independent living skills, drug and alcohol recovery, and community building activities at four downtown hotels. The service center is located at 719 J Street.	\$120,000	CDBG
HOPWA: STRMU, Case Management, Housing, Supportive Services & Administration	\$873,732	HOPWA
HOPWA - Short-Term Rent Mortgage & Utilities (STRMU): Provides for short-term emergency housing assistance for persons with HIV/AIDS in the City and County of Sacramento.		HOPWA
HOPWA - Emergency Shelter (Open Arms): An emergency shelter for homeless individuals with HIV/AIDS. Individuals are eligible for 90 days of emergency shelter including a thorough needs assessment, intensive case management services, advocacy in securing mainstream services, life skills and health education, meals, limited transportation and assistance in securing housing within the continuum of care including permanent housing.		HOPWA
HOPWA - Permanent Housing (Colonia San Martin): Provides permanent housing with supportive services for persons with HIV/AIDS and mental disabilities in a community setting with 40 units – 25 one bedroom units, 12 two bedroom units and 3 three bedroom units. Also provides weekly supportive services and educational and social activities for all the residents (60 units).		HOPWA

HOPWA - Case Management: Provides intensive case management to 30 individuals participating in the Shelter Plus Care program and 30 individuals who live in other housing, who may be single or a member of a family, and are formerly homeless persons living with HIV/AIDS.

HOPWA

HOPWA - Permanent Housing (Southside House): This community is 9 room Victorian home for mental health consumers who are diagnosed with AIDS or HIV+ and are homeless or at risk of homelessness. This is a permanent housing option and it offers supportive staff member to assist clients in refining and developing the skills and setting goals necessary to attain independence in the community.

HOPWA

HOPWA - Short-Term Rent Mortgage & Utilities - Placer County (STRMU): Provides for short-term emergency housing assistance for persons with HIV/AIDS living in Placer County.

HOPWA

HOPWA - Short-Term Rent Mortgage & Utilities - El Dorado County (STRMU): Provides for short-term emergency housing assistance for persons with HIV/AIDS living in El Dorado County.

HOPWA

HOPWA - Short-Term Rent Mortgage & Utilities - Yolo County (STRMU) Provides for short-term emergency housing assistance for persons with HIV/AIDS living in Yolo County.

HOPWA

HOPWA - Permanent Housing (Steven Place, Hidden Cove, & Cornerstone): Stevens Place covers 30 units of housing: 15 at Stevens Place, 9 at Hidden Cove and 6 at Cornerstone. There is also 1 resident manager unit at Stevens Place, the manager provides coverage at all three locations. Case management is provided at all three locations.

HOPWA

Total Public Services

\$1,902,402

HUD LOAN REPAYMENTS

The following debt service payments for HUD Section 108 loans and internal SHRA loans for commercial revitalization, job creation, and infrastructure development.

Section 108 Loan Repayment : Annual debt service payment on Section 108 loan funds. If program income is utilized towards the debt service payment then unused entitlement funds will be utilized towards project costs.	\$350,686	CDBG
---	------------------	------

GRANT PLANNING AND ADMINISTRATION

The following are related to immediate/intermediate term CDBG program planning, community participation and general program administration. For CDBG, HUD limits funding for planning and administration to 20 percent of the total amount of entitlement and program income. For HOME, the limit is 10 percent.

Homeless Activities: Administrative services for the implementation of Homeless activities in 2013.	\$45,257	CDBG
--	----------	------

ESG Program Administration: Administrative services for the implementation of ESG-funded activities in 2013.	\$45,269	ESG
---	----------	-----

HOME Program Administration: Administrative services for the implementation of HOME-funded activities in 2013.	\$185,453	HOME
HOPWA Program Administration: Administrative services for the implementation of HOPWA-funded activities in 2013.	\$27,023	HOPWA
CNI Marina Vista: Funds will be used to undertake community outreach and necessary supportive services to carryout the required activities for the CNI planning grant in preparation of applying for the CNI implementation grant.	\$200,000	CDBG
CDBG Planning and Administration: Administrative & Planning services for CDBG programs in 2013.	\$593,327	CDBG
Total Grant Planning and Administration:	\$1,096,329	

CDBG CAPITAL RESERVE

Capital Reserve: Reserve account for overruns in capital improvement activities and to fund budgeted activities in 2013 if CDBG entitlement is less than anticipated. The reserve is also available to cover unanticipated project and program costs to bring an activity to completion. The full amount of the reserve is available to ensure the timely completion of the activities.	\$423,131	CDBG
--	-----------	------



**City of Sacramento
Defunded Activities for Various Years' Action Plan**

Activities being defunded are those that have been completed, cancelled or funded through alternative sources. Newly funded activities are scheduled to be implemented and completed by December 31, 2012 to comply with federal regulations governing the timely expenditure of funds.

CDBG		
Recommendation	Amount	Fund
Capital Reserve: Fund reserve account for overruns in capital improvement activities and to fund budgeted activities in 2012 if CDBG entitlement is less than anticipated. Funds to be transferred to FOCIS Housing Inspection Program.	\$100,000	CDBG
Total	\$100,000	



**City of Sacramento
Amendment to 2012 Action Plan and Substantial Amendment Activities**

This report formally amends the 2012 Action Plan by augmenting existing and new projects with CDBG. These activities have been identified as those that need immediate funding. Also, these adjustments will facilitate timely expenditures as required by HUD.

CDBG		
Recommendation	Amount	Fund
FOCIS Program: Additional funds will be used for City building inspectors for an 18-month pilot program to operate a geographically focused single-family inspection strategy addressing problem properties in the targeted area.	\$100,000	CDBG
Total	\$100,000	



**SACRAMENTO
STEPS FORWARD**

Ending Homelessness. Starting Fresh.

ANNUAL REPORT 2012

(Data rich version for collaborative partners and funders)

Greetings,

With the help of Sacramento Steps Forward's Board of Directors, Continuum of Care Advisory Board, public leaders, homeless providers, and business and community partners, we have made much progress toward reducing homelessness in the Sacramento region. My thanks and appreciation goes to them for their commitment, support and hard work.

It is with pleasure that we present our data rich version Annual Report created specifically for our partners and funders. In it you will find highlights of our key achievements and activities over the last year. It has been a rewarding year of growth, innovation and impact. I look forward to building on our successes together to fulfill the mission and vision of Sacramento Steps Forward.

Respectfully Submitted,

Ben Burton
Executive Director
Sacramento Steps Forward

SACRAMENTO STEPS FORWARD (SSF) was launched by Sacramento Mayor Kevin Johnson in 2009 as new momentum gathered to reshape the fight against homelessness. Sacramento City, County and community leaders worked to transition homeless residents to shelters and longer-term housing. Sacramento Steps Forward was incorporated as a nonprofit in 2011, and hired Executive Director, Ben Burton and key staff. We remain committed to ensuring that every member of our community has a place to call “home” and hope for a better life.

Mission

The mission of the Sacramento Steps Forward, a private public partnership, is to assist individuals and families experiencing homelessness or at risk of becoming homeless to obtain housing, economic stability, and an enhanced quality of life through comprehensive services.

Vision

The vision of Sacramento Steps Forward is that within the next ten years, all persons and families experiencing the possibility of homelessness in Sacramento County will have a permanent, safe, decent and affordable place to call home with access to appropriate support services when necessary.

Highlights of Our Success

More Accountable and Effective Approach

New nonprofit was formally incorporated to take over administration and oversight of city and county homeless programs with a more results- and data-driven mentality. Accomplishments:

- Hired executive director
- Secured 13.9 million dollars in Department of Housing and Urban Development (HUD) homeless renewal funding 2011-12
- Implement Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) resources at sacramentostepsforward.org
- Coordinated Winter Shelter and Homeless Connect
- Created Continuum of Care (CoC) Board
- Became HUD lead planning agency and grantee
- Began transfer of all eligible HUD grants from Department of Human Assistance (County) to Sacramento Steps Forward
- Sponsored Day to End Homelessness 2013

- Oversee and monitor \$15 million in HUD homeless funding
- Updating of 10 Year Plan to End Chronic Homelessness 2013

Homelessness: Data and Trends

A Data Driven Housing Approach

Over the course of 2011, approximately 4,000 adults and 5,000 children experienced homelessness in Sacramento County. Approximately 1,000 homeless single adults are sleeping outside each and every night. When the educational definition of homelessness is used, the number of homeless children increases to 11,354, based on annual data collected from school districts and reported by Sacramento County Office of Education Project TEACH for the 2010-2011 school year (the educational definition of homelessness is more comprehensive than the Point in Time methodology and includes situations such as doubling up and “couch surfing”). It is also important to give context to these numbers to understand that HUD adopted a more inclusive definition of homelessness in January 2012 (see – Improved Housing and Trends below).

Our current continuum design allows us to provide some type of housing or service to between 70% - 75% of those experiencing homelessness in Sacramento County. Our goal is to expand this capacity by 15% or more over the next five (5) years. We have laid out our concrete strategy to reach this goal in our partner’s Sacramento Housing and Redevelopment Agency’s (SHRA) current Consolidated Plan. Our community’s plan will be further refined when we update the 10 Year Plan to end Homelessness next year.

Homeless Population Demographics

<u>Who</u>	<u>Why</u>	<u>Where</u>
75% single adults	60% poverty and economics	60% sheltered
55% children	41% substance abuse	15% emergency or transitional housing
25% families	26% mental health	25% homeless on the streets
13% seniors	22% domestic violence	
65% male	13% veterans	
35% female		

Costs (Single Adults)

Winter Sanctuary \$11/night
 Unfunded shelter bed \$35/night
 Emergency shelter \$1,154/av. placement
 Transitional housing \$13,659/av. placement
 Rapid rehousing \$4,305/av. Placement

Costs (Families)

Motel voucher \$33/night
 Emergency shelter \$2,248/av. placement
 Transitional housing \$20,854/av. placement
 Rapid rehousing \$4,701/av. placement

Success Rates (single adults - placement into permanent housing)

Rapid rehousing 68%
 Transitional housing 70%
 Emergency housing 14%

Success Rates (Families - placement into permanent housing)

Rapid rehousing 88%
 Transitional housing 70%
 Emergency housing 27%

Failure Rate (Single adults - return to homelessness)

Rapid rehousing 13%
 Transitional housing 4%
 Emergency housing 31%

Failure Rates (Families - return to homelessness)

Rapid rehousing 2%
 Transitional housing 2%
 Emergency housing 11%

Implications: Rapid rehousing (which is a HUD suggested strategy that covers many types of permanent housing models that get individuals and families stabilized as quickly as possible and returned to permanent housing) appears to be a method that is cost effective with good permanent housing placement outcomes in the review of our community's data. This in no way should be construed to imply eliminating a category of housing. However, there may be an opportunity to shift some of the Sacramento's Continuum resources to rapid rehousing in order to have higher impact on homelessness.

Also, permanent supportive housing is not discussed here because it is an expensive model in comparison to the models discussed above. For those who are high service users however, the balance that is struck here is a savings to the community; for example, due to not accessing emergency room health care services or being incarcerated, all of which are more expensive than permanent supportive housing. (see - Continuum Investment by housing type below)

Improved Housing & TrendsTrends

16% decrease in overall homelessness since 2009
 51% decrease in chronic homelessness since 2007
 14% Increase in family homelessness since 2009

Permanent Housing Units and Placements

703 households moved into permanent housing units and placements to date
 75 new permanent housing (7th and H) units under construction to be completed by 12/31/2012

Homeless Prevention and Rapid Re-Housing (HPRP - completed 2011)

2,401 households received permanent housing
 6,100 individuals served

85% of households retaining housing once rental support ended

Homeless Continuum Investment by Housing type (Families)

Permanent supportive housing \$6,418,864

Transitional housing \$3,044,621

Emergency shelter \$3,205,673

Rapid rehousing \$1,220,106

Supportive services only \$419,571

Homeless Continuum Investment by Housing type (Single Adults)

Permanent supportive housing \$8,829,620

Transitional housing \$2,772,863

Emergency shelter \$1,442,130

Rapid rehousing \$707,332

Supportive services only \$821,419

New Definition of "Homeless:"

The final rule on the definition of homeless establishes four categories under which an individual or family may qualify as homeless. The categories are:

1. Literally homeless - An individual or family who lacks a fixed, regular and adequate nighttime residence, meaning the individual or family has a primary nighttime residence that is a public or private place not meant for human habitation or is living in a publicly or privately operated shelter designed to provide temporary living arrangements. This category also includes individuals who are exiting an institution where he or she resided for 90 days or less who resided in an emergency shelter or place not meant for human habitation immediately prior to entry into the institution.
2. Imminent risk of homelessness - an individual or family who will imminently lose (within 14 days) their primary nighttime residence provided that no subsequent residence has been identified and the individual or family lacks the resources or support networks needed to obtain other permanent housing.
3. Homeless under other federal statutes - unaccompanied youth (under 25) or families with children and youth who do not otherwise qualify as homeless under this definition and are defined as homeless under another federal statute, have not had permanent housing during the past 60 days, have experience persistent instability, and can be expected to continue in such status for an extended period of time. * HUD has since published clarification restricting the use of this definition only to (CoC's) that submit an application and receive approval from HUD.
4. Fleeing/attempting to flee domestic violence - any individual or family who is fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, or stalking.

Next Steps

Innovations and New Ideas

- Transition of emergency shelters for single adults to SSF
- Implement HEARTH Plan for the continuum
- Work with community partners to develop affordable housing strategies
- Roll out of new improved Homeless Management System (HMIS)
- Update the 10 Year Plan to End Homelessness
- Implement our new coordinated Marketing & Fundraising Plan
- Continue to refine and align organizational staffing and design to be responsive to community needs
- Develop and incubate innovative solutions to ending homelessness in Sacramento

Prepared by Sacramento Steps Forward

1331 Garden Highway

Sacramento, CA 95833

Sacramentostepsforward.org

(916) 577-9770