



REPORT TO CITY COUNCIL
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

10

Public Hearing
November 6, 2014

Honorable Mayor and Members of the City Council

Title: Adoption of the 2015 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 Prior Year Action Plans; Amendment of the Sacramento Housing and Redevelopment Agency (SHRA) Budget; and Related Actions and Findings

Location/Council District: Citywide

Recommendation: Adopt a Council **Resolution** : 1) making environmental findings; 2) adopting amendments to prior years' Action Plans to defund activities and add the programs and projects; 3) adopting the 2015 One-Year Action Plan to allocate anticipated CDBG, HOME, HOPWA and ESG funds ; 4) authorizing SHRA to amend its budget to allocate the CDBG, HOPWA and ESG funding for programs and projects in accordance with the amendment of the prior years' Action Plans and the 2015 One-Year Action Plan; and amend the CDBG Capital Reserve, HOME, HOPWA and ESG budgets if the United States Housing and Urban Development (HUD) grant award is less or greater than anticipated to the extent necessary to implement and ensure the timely completion of the activities ; 5) authorizes and delegates authority to SHRA to act as agent on behalf of the City of Sacramento to submit the amendment of prior years' Action Plan(s) and the 2015 One-Year Action Plan to HUD; execute the subsequent grant agreements with HUD, and execute agreements and contracts with the appropriate entities to carry out the CDBG, HOME, HOPWA and ESG programs and projects in accordance with the Action Plans in compliance with applicable federal laws and regulations; 6) authorizing the City Manager or his designee to execute agreements with SHRA to carry out the activities contained in the 2015 One-Year Action Plan and amendment to the various years' Action Plans in compliance with applicable federal laws and regulations, in a form approved by SHRA Counsel and the City Attorney; 7) authorizing SHRA to issue a request for proposal for the Regional Analysis of Impediments to Fair Housing Choice, to execute related contracts and agreements as approved to form by SHRA Counsel and to amend its budget accordingly; 8) authorizing SHRA to issue a CDBG Notice of Funding Availability (NOFA) and to execute related contracts and agreements as approved to form by SHRA Counsel and amend its budget accordingly;; 9) authorizing SHRA to solicit environmental assessment, remediation and legal consulting competitive bids and proposals and award and execute contracts in accordance with adopted CDBG and Agency Procurement Policy and Procedures in support of implementing approved CDBG activities; and 10) authorizing SHRA to issue

a request for proposal for the Emergency Repair Program, to execute related contracts and agreements as approved to form by SHRA Counsel and to amend its budget accordingly.

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

Presenters: Geoffrey M. Ross, Federal Programs Manager

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: This report recommends approval of the 2015 One-Year Action Plan, thereby updating the Consolidated Plan, and requests authorization to submit the plan to HUD. The Consolidated Plan is a five-year planning document covering the 2013-17 period (by Resolutions City Council No. 2013-0010 and Housing Authority No. 2013-0001). The Consolidated Plan identifies the City's housing and community development needs and describes a long-term strategy to meet those needs. In addition, the 2015 One-Year Action Plan specifically addresses the following federally funded housing and community development programs: CDBG, HOME, ESG and HOPWA. Staff anticipates that the 2015 federal budget will be held constant at 2014 funding levels. Background information is included in Attachment 1.

Policy Considerations: The proposed appropriation of funds for new and existing activities is consistent with the goals and objectives outlined in the adopted Consolidated Plan. The Consolidated Plan goals include assisting low- and moderate-income persons and areas with the following: community services, housing, homeless facilities and services, public improvements and facilities, economic development, and planning activities.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA):

CDBG, HOME and HOPWA

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 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 NEPA and per HUD regulations prior to any commitment of federal funds unless they are exempt from such review.

Many of the 2015 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 B and C contain specific information regarding CEQA and NEPA reviews and findings for specific projects.

ESG

The authority for environmental review of HUD-assisted projects and activities carried out under the Emergency Solutions Grant (ESG) Program is NEPA, related environmental laws and authorities, and 24 CFR Part 50. The Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH) of 2009 repealed prior authority to allow states and units of local government to perform HUD's environmental review responsibility for the ESG Program. Therefore the use of procedures under 24 CFR Part 58 – Environmental Review Procedures for Entities Assuming HUD's Environmental Responsibilities – is not authorized.

Per 24 CFR Part 50.19(b), the ESG activities included in the 2015 One-Year Action Plan for services and staff 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. Exhibit B and C contain specific information regarding CEQA and NEPA reviews and findings for ESG.

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.

Committee/Commission Action: On October 15, 2014, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Alcalay, Chan, Creswell, Griffin, Johnson, Morgan, Morton, Raab, Stivers

NOES: None

ABSENT: Macedo

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 Five-Year Consolidated Plan. Refer to the Exhibits for the list of 2015 recommended activities, projects to be defunded and various years' Action Plan amendments.

Financial Considerations: Proposed allocations made in the 2015 One-Year Action Plan are based on:

Revenue Source	Previous Years Reprogramming	2015 Estimated Revenue	Total
CDBG Entitlement	\$0	\$4,269,759	\$4,269,759
CDBG Program Income*	\$0	\$221,905	\$221,905
CDBG Unallocated Capital Reserve	\$100,000	\$100,000	\$200,000
HOME Entitlement	\$0	\$1,814,225	\$1,814,225
HOME Program Income*	\$0	\$209,212	\$209,212
ESG Entitlement	\$0	\$348,183	\$348,183
HOPWA Entitlement	\$0	\$901,050	\$901,050
Revenue Subtotal	\$100,000	\$7,864,334	\$7,964,334
2015 and Previous Years' Total	\$7,964,334		

*Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period.

There is \$466,555 in CDBG capital reserve budgeted in the 2015 One-Year Action Plan, which is approximately 10 percent of the 2015 CDBG entitlement. If Congress ultimately approves funding in a lesser amount, the reserve will be used to fund budgeted projects. The actions proposed include authorizing SHRA to obligate the CDBG Capital Reserve to activities described in this Action Plan.

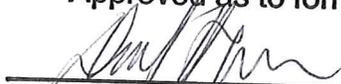
M/WBE and Section 3 Considerations: Minority and Women’s Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent they may be applicable. Use of the First Source Program will be encouraged by all contractors doing business with SHRA to the maximum extent possible.

Respectfully Submitted by: 
LA SHELLE DOZIER
Executive Director

Table of Contents

	Report	pg.	1
Attachments			
1	Background	pg.	6
2	City Council Resolution	pg.	12
	Exhibit A: Project and Program Defunding	pg.	15
	Exhibit B: 2015 One-Year Action Plan Activities and Amendment of Various Years’ Action Plans	pg.	16
	Exhibit C: Environmental Determination	pg.	27
	Exhibit D: CDBG Guide to National Objectives and Eligible Activities For Low- to Moderate-Income (L/M) Services Areas	pg.	28
	Exhibit E: 2013 – 2017 Consolidated Plan Priority Low/Mod Areas	pg.	36

Approved as to form:



Agency Counsel

APPROVED AS TO FORM:



CITY ATTORNEY

Background

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 housing authorities.

The Joint Powers Authority governance structure allows for a consolidation of staffing which achieves close coordination of housing, community development and public housing functions, provides budget savings for operation and overhead, eliminates duplicate staffing efforts, and provides a competitive advantage when seeking federal and other housing and community development 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 cooperation and efficient use of housing and community development funds.

On January 8, 2013 (by City Council Resolution 2013-010 and HA Resolution 2013-01) SHRA was approved to administer 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 was also approved by same resolutions to enter into a revised Memorandum of Agreement (MOA) for the continued administration of HUD CPD funds, and the Housing Authority of the City of Sacramento, staffed by SHRA, was designated 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 Action Plan and are based upon 2013-17 Consolidated Plan priorities. The Action Plan's key components are broken down in the following sections.

Capital Improvements/Infrastructure

There is a continuing need within the City for public facilities to serve growing populations. Many low- and moderate-income areas in the County are within older neighborhoods that either do not have proper facilities or their existing facilities suffer from heavy use or deferred 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 remains 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 proposed One-Year Action Plan infrastructure and public improvement projects support 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. The Action Plan through the use of priority areas 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.

In this report, SHRA requests authorization to issue a Notice of Funding Availability (NOFA) to award up to \$100,000 in CDBG funds to either a government entity or a nonprofit to provide capital improvements to a public facility. Please refer to Exhibit B for the full list of proposed activities.

CDBG Low- to Moderate-Income Area Benefit

In June 2014, HUD issued CPD Notice-14-11 *Transition Policy for Low/Moderate Income Summary Data Updates during Fiscal Year 2014 for the Entitlement Grantees and Non-entitlement Hawaiian County Grantees of the Community Development Block Grant Program* (CDBG Low/Mod Census Tracts) to provide guidance on the updated 2014 Low/Moderate Income Summary Data (LMISD). The LMISD supports the Community Development Block Grant (CDBG) National Objective of providing benefit to low- and moderate-income persons on an area basis (LMA). The LMISD are derived from special data tabulations provided to HUD by the U.S. Census Bureau. The special tabulations include data on family income, which were based on the Decennial Census in previous years and are now based upon the American Community Survey (ACS).

HUD's CDBG program describes an area benefit activity as an activity *which is available to benefit all the residents of an area which is primarily residential*. In order to qualify as addressing the national objective of benefit to low- to moderate-income (L/M) income persons on an area basis, an activity must meet the identified needs of L/M income persons residing in an area where at least 51 percent of the residents are L/M income persons. The benefits of this type of activity are available to all residents in the area regardless of income.

The requirement that an area benefit activity must qualify on the basis of the income levels of the persons who reside in the area served by the activity is statutory. (See section 105(c)(2) of the Housing and Community Development Act of 1974 as

amended.) This means that the activity may not qualify as meeting the L/M income area benefit national objective on any other basis. For example, if the assisted activity is a park that *serves* an area having a L/M income concentration that falls below the required percentage, the activity may not qualify even if there is reason to believe that the park will actually be *used* primarily by L/M income persons. This means that, even though a predominantly L/M income neighborhood may be one of several neighborhoods served by an activity (e.g., a grocery store) the percentage of L/M income persons in the *total area served by the activity* is considered for this purpose.

Certain activities that serve an area are designed to meet the needs of only some persons in that area. An example of this would be a facility that is used exclusively as a senior center for a particular neighborhood. Such area benefit activities serving special needs usually must qualify under the Limited Clientele subcategory of the L/M Income Benefit national objective.

Typical area benefit activities include:

- Street improvements
- Water and sewer lines
- Neighborhood facilities

Please refer to Exhibit D for additional information.

SHRA's GIS staff analyzed the low/moderate income data changes for each Census tract and determined there were some shifts in low/mod areas. Please refer to Exhibit E for 2013 – 2017 Consolidated Plan Priority Low/Mod Areas.

Section 3 / First Source Sacramento

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires that employment and other economic and business opportunities are directed to public housing residents and other low-income persons, to the greatest extent feasible, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very low-income persons.

To enhance its Section 3 Program, SHRA in partnership with the Greater Sacramento Urban League (Urban League), Sacramento Employment Training Agency (SETA) developed the First Source Sacramento Program in late 2013 with it launching in 2014. This new program provides pathways to employment for Housing Authority residents, Housing Choice Voucher clients, and other low-income residents of the City and County of Sacramento. It is a one-stop resource for those seeking career counseling, training, certification and employment, and for employers, access to a pool of qualified applicants. First Source Sacramento helps create a competitive workforce, vibrant communities, and a sustainable local economy. The program is currently being piloted by the Housing Authority's resident trainees with the Urban League and SETA providing training and employment opportunities. In 2015, a broader outreach will begin for the remaining Housing Authority and low-income Sacramento residents.

For performance measures, refer to the Measures/Evaluation section below.

2014 First Source participation/registration:

Employers doing business with SHRA: 12

Public Housing Residents: 89

Housing

The housing activities laid out in the Action Plan seek to support, increase and improve the multi-family housing stock, rehabilitate existing single-family housing and provide housing to low-income Veterans. 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 California redevelopment agencies. As a result, 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.

Affordable housing rehabilitation and new construction is not limited to low- and moderate-income areas and can 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 City Council, and include the Multi-Family Lending Guidelines.

Emergency Repair Program

In September 2014, Rebuilding Together informed SHRA that it longer wished to administer the Emergency Repair Program and would cease as a provider effective December 31, 2014. Rebuilding Together was selected through a competitive bid process in 2012. Previous to this selection, SHRA administered the program. SHRA will issue a request for proposals in late 2014 or early 2015 to select and enter into a contract with an organization(s) to provide emergency home repairs to income qualified homeowners.

Fair Housing

SHRA, on behalf of the City and County of Sacramento, under direction of the U.S. Dept. of Housing and Urban Development (HUD), has a responsibility to affirmatively further fair housing within the City of Sacramento, as well as in the Unincorporated County of Sacramento, and the cities of Citrus Heights, Folsom, Isleton, and Galt (Elk Grove and Rancho Cordova receive their own CDBG and HOME entitlements). SHRA strives through the

implementation of its programs and outreach efforts to reduce housing discrimination in the housing rental, sales and lending on the basis of race, sex, color, religion, national origin, familial status, gender identity, or disability, in compliance with the Fair Housing Act.

Regional Analysis of Impediments to Fair Housing Choice

The Fair Housing Cooperative met in September 2014 and an outcome of this meeting is the recommendation that SHRA issue a request for proposal (RFP) for a regional Analysis of Impediments to Fair Housing Choice. The intent of the RFP is for SHRA, the cities of Sacramento, Folsom, Isleton, Galt, Citrus Heights, Rancho Cordova and Elk Grove; and the unincorporated County of Sacramento to select a professional consulting firm with proven expertise and understanding of the Fair Housing Act which requires the U.S. Department of Housing and Urban Development (HUD) to administer the Department's housing and urban development programs in a manner to "affirmatively further fair housing." HUD in large part carries this obligation out by requiring its grantees to affirmatively further fair housing through the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs, and as one part of the Consolidated Plan (five-year planning document with performance measures reported annually). HUD is committed to enforcing the federal Fair Housing Act and other civil rights laws with the fundamental goal of making housing opportunities available to all.

HUD requires grantees to conduct an analysis to identify impediments to fair housing choice (the AI); take appropriate actions to overcome the effects of any impediments identified through the analysis; and maintain records reflecting the analysis and actions taken in this regard.

This regional AI's analysis area is defined as the incorporated cities of Sacramento, Folsom, Isleton, Galt, Citrus Heights, Rancho Cordova and Elk Grove; and the unincorporated County of Sacramento.

In 2015, SHRA will issue a request for proposals to contract with a consultant to update the Analysis of Impediments to Fair Housing Choice (AI). Staff expects to submit the AI to HUD in November 2016. Additionally, SHRA will continue to refine its referral process and update its web as needed to provide residents with information on how to obtain assistance for fair housing issues.

Homeless Services

SHRA, on behalf of the City of Sacramento, is the Grantee for the ESG program. ESG provides ongoing federal entitlement funding in support of emergency shelters, homeless prevention and rapid re-housing activities. In developing the 2015 One-Year Action Plan, SHRA consulted with the Continuum of Care (CoC) and homelessness providers on allocating ESG funds in a manner that best serves the community. As part of the consultation, federal requirements were reviewed to remind the partners that there are caps on ESG (24 CFR 576.3-

General Provisions): no less than 40 percent of the funds are to be made available for prevention and rapid re-housing activities, and no more than 60 percent of the funds for emergency shelters and outreach; in addition, out of the 60 percent, 7.5 percent can be allocated for program administration. Refer to Attachment I for staff funding recommendations.

SHRA will continue to collaborate with Sacramento Steps Forward and homeless service providers, on developing a coordinated entry/assessment system for the entire CoC. The ESG coordinated entry has served as a pilot for the CoC.

Housing Opportunities for Persons with AIDS (HOPWA)

HOPWA funding provides housing assistance and related supportive services and grantees are encouraged to develop community-wide strategies and form partnerships with area nonprofit organizations. SHRA, on behalf of the City of Sacramento, is the Grantee for this Program and receives funds for the City of Sacramento and the counties of Sacramento, Yolo, Placer and El Dorado.

Staff recommends that HOPWA transition from a program that relies on facility-based funding to a more stable and flexible model that provides tenant-based and time-limited housing assistance (Short-Term Rent, Mortgage, Utility Assistance (STRMU)) for eligible participants already in private-market, permanent housing. Please refer to Exhibit B for funding recommendations.

RESOLUTION NO. 2014 –

Adopted by the Sacramento City Council

November 6, 2014

ADOPTION OF THE 2015 ONE-YEAR ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIP (HOME), HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) AND EMERGENCY SOLUTIONS GRANT (ESG) FUNDED PROJECTS AND PROGRAMS; AMENDMENT OF VARIOUS PRIOR YEAR ACTION PLANS; AMENDMENT TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AUTHORIZATION TO RELEASE A REQUEST FOR PROPOSALS FOR THE REGIONAL ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE AND AUTHORIZATION TO ENTER INTO A CONTRACT; AUTHORIZATION TO ISSUE A NOTICE OF CDBG FUNDING AVAILABILITY AND AUTHORIZATION TO ENTER INTO CONTRACTS AND EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF FEDERAL PROGRAMS; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. The U.S. Department of Housing and Urban Development (HUD) requires adoption of a Five-Year Consolidated Plan and an annual Action Plan, consistent with the Consolidated Plan, to identify the programs and projects for expenditure of federal CDBG, HOME, HOPWA and ESG funds.
- B. Since 1982 the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the City of Sacramento (City), has served as the public entity designated to efficiently administer the CDBG program and was subsequently designated as the public entity to administer HOME, ESG and HOPWA funding originating from HUD.
- C. With the release of the 2013 Notice of Funds Availability (NOFA), the 2013 Consolidated Plan recognized the modifications to regulations for the Continuum of Care and enactment of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act for rental assistance to be administered by the Public Housing Agency (PHA). The City designated its PHA, staffed by SHRA, to administer these rental assistance programs.

- D. Community development grants from HUD administered directly by the recipient are required to undertake environmental review of the proposed projects and issue determination on behalf of HUD. SHRA is designated as the agent for the City for the purpose of implementing HUD's environmental regulations, and SHRA is authorized to submit an environmental determination to HUD on the City's behalf and on behalf of non-profit organizations which are sub-grantees.
- E. A noticed public hearing soliciting comments on the 2015 One-Year Action Plan was held by the Sacramento Housing and Redevelopment Commission on October 15, 2014.

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

- Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding these actions, as stated in Exhibit B and C, are approved.
- Section 2. The amendment of prior years' Action Plans , to defund the activities set forth in Exhibit A and to add the programs and projects set out in Exhibit B, is adopted.
- Section 3. The 2015 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 4. SHRA is authorized to amend its budget to allocate the CDBG, HOPWA and ESG funding for programs and projects in accordance with the amendment of the prior years' Action Plans; allocate the CDBG, HOME, HOPWA and ESG grant funding for programs and projects as set out in the 2015 One-Year Action Plan; and to amend the CDBG Capital Reserve, HOME, HOPWA and ESG budgets if HUD award is less or greater than anticipated to the extent necessary to implement and ensure the timely completion of the activities set out Exhibit B.
- Section 5. 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 Plans and the 2015 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 programs and projects in accordance with the Action Plans and in compliance with applicable federal laws and regulations.
- Section 6. The City Manager or his designee is authorized to execute agreements with SHRA to carry out the activities contained in the 2015 One-Year Action Plan and amendment to the various years' Action Plans. All such

agreements shall be in compliance with applicable federal laws and regulations, in a form approved by SHRA Counsel and City Attorney.

- Section 7. SHRA is authorized to issue a request for proposal for the Regional Analysis of Impediments to Fair Housing Choice, to execute related contracts and agreements as approved to form by SHRA Counsel, and to amend its budget accordingly.
- Section 8. SHRA is authorized to issue a CDBG Notice of Funding Availability (NOFA) as described in Exhibit B, to execute related contracts and agreements as approved to form by SHRA Counsel and amend its budget accordingly.
- Section 9. SHRA is authorized to make any budget adjustments and execute related documents, contracts and agreements as necessary to carry out the federal programs as described in the 2015 Action Plan in compliance with applicable federal laws and regulations.
- Section 10. SHRA is authorized to solicit environmental assessment, remediation and legal consulting competitive bids and proposals and award and execute contracts in accordance with adopted CDBG and Agency Procurement Policy and Procedures in support of implementing approved CDBG activities.
- Section 11. SHRA is authorized to issue a request for proposal for the Emergency Repair Program, to execute related contracts and agreements as approved to form by SHRA Counsel and to amend its budget accordingly.
- Section 12. The CDBG Guide to National Objectives and Eligible Activities For Low- to Moderate-Income (L/M) Services Areas as set forth in Exhibit D and the 2013 – 2017 Consolidated Plan Priority Low/Mod Areas as set forth in Exhibit E are approved.

Table of Contents

Exhibit A	Project and Program Defunding
Exhibit B	2015 One-Year Action Plan Activities and Amendment of Various Years' Action Plans
Exhibit C	Environmental Determination
Exhibit D	CDBG Guide to National Objectives and Eligible Activities For Low- to Moderate-Income (L/M) Services Areas
Exhibit E	2013 – 2017 Consolidated Plan Priority Low/Mod Areas

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

Activities being defunded are those that have been suspended or canceled. Newly funded activities are scheduled to be implemented and completed within 18 months to comply with federal regulations governing the timely expenditure of funds.

Staff recommends proposed funding transfers be appropriated to activities as described in Exhibit B.

Proposed Funding Transfers	2014 Action Plan Amendment Amount	2015 Action Plan Amount	From
Commercial Revolving Loan Fund (RLF): Staff recommends transferring a portion of existing loan proceeds to the CDBG Program Income (PI) Fund.	\$0.00	\$10,000	CDBG RLF
First-Time Homebuyer RLF: Staff recommends transferring a portion of existing loan proceeds to the CDBG PI Fund.	\$0.00	\$20,000	CDBG RLF
Multi-Family Rehabilitation RLF: Staff recommends transferring a portion of the existing loan proceeds to the CDBG PI Fund.	\$0.00	\$10,000	CDBG RLF
Single-Family Rehabilitation RLF: Staff recommends transferring a portion of existing loan proceeds to the CDBG PI Fund.	\$0.00	\$40,000	CDBG RLF
CDBG Program Income Fund: Staff recommends unallocated CDBG PI Funds be appropriated to activities as described in Exhibit B.	\$0.00	\$20,000	CDBG PI
Subtotal	\$0.00	\$100,000	\$100,000
2014 Consolidated Planning: This activity is canceled and funds are to be returned to CDBG Unallocated Capital Reserve.	\$100,000	\$0.00	Canceled CDBG Activity
Unallocated Capital Reserve: Fund reserve account for overruns in capital improvement activities and to fund budgeted activities in 2014.	\$0.00	\$100,000	Unallocated Capital Reserve
Subtotal	\$100,000	\$100,000	\$200,000
Total Funding Transfer	\$100,000	\$200,000	\$300,000

[Back to Report Table of Contents](#)

City of Sacramento 2015 One-Year Action Plan and Previous Years' 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, and amendments, are updates to the 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, including geographic locations and proposed accomplishments. Proposed activities address the priority needs and specific objectives of the 2013-17 Consolidated Plan, adopted by the City Council on January 8, 2013.

The Sacramento Housing and Redevelopment Agency (SHRA), as the direct recipient of HUD funding, assumes the responsibility for environmental review, decision-making, and actions under the National Environmental Policy Act (NEPA). SHRA is also the lead agency for Agency initiated projects under the California Environmental Quality Act (CEQA). This Exhibit includes NEPA and CEQA citations as reference unless otherwise indicated. Additional information on environmental review can be found in Exhibit C.

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.

Proposed activities are based on the following estimated revenues:

Revenue Source	Previous Years Reprogramming	2015 Estimated Revenue	Total
CDBG Entitlement	\$0	\$4,269,759	\$4,269,759
CDBG Program Income*	\$0	\$221,905	\$221,905
CDBG Unallocated Capital Reserve	\$100,000	\$100,000	\$200,000
HOME Entitlement	\$0	\$1,814,225	\$1,814,225
HOME Program Income*	\$0	\$209,212	\$209,212
ESG Entitlement	\$0	\$348,183	\$348,183
HOPWA Entitlement	\$0	\$901,050	\$901,050
Revenue Subtotal	\$100,000	\$7,864,334	\$7,964,334
2015 and Previous Years' Total	\$7,964,334		

*Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period.

The following summarizes proposed activities for 2015 and previous years. Activities are organized into the following categories; funding totals for each category are indicated.

Funding Category	Previous Years Reprogramming	Proposed 2015 Funding	Total
Infrastructure and Public Improvements	\$0	\$1,410,415	\$1,410,415
Housing Development, Preservation and Homeownership	\$0	\$2,855,628	\$2,855,628
Public Services	\$0	\$1,871,162	\$1,871,162
HUD Section 108 Loan Repayments	\$0	\$393,102	\$393,102
Grant Planning and Administration	\$100,000	\$867,472	\$967,472
CDBG Capital Reserve	\$0	\$466,555	\$466,555
Funding Subtotal	\$100,000	\$7,864,334	\$7,964,334
Proposed Funding Total	\$7,964,334		

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	Previous Years Reprogramming	2015 Proposed Funding	Total Funding	Source	CDBG IDIS Matrix Code	CDBG National Objective	Environmental Clearance
Main Avenue Ball Field: Provides \$20,000 for environmental clearance and \$150,000 for design and construction of a neighborhood ballfield located at Main Elementary School, construction work to include installation of turf, field striping, landscaping, drainage and irrigation.	\$0	\$170,000	\$170,000	CDBG	03E	LMA	Environmental review is underway. See Exhibit C.
Downtown Street Lighting: Provides funds for replacement and/or installation of new streetlights to enhance safety for pedestrians and residents in the downtown area.	\$0	\$550,000	\$550,000	CDBG	03	LMA	Environmental review is underway. See Exhibit C.
Downtown Riverfront Street Car Design: Provides funds for design and construction documents including those for track infrastructure, stations and pedestrian improvements.	\$0	\$300,000	\$300,000	CDBG	03K	LMA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(1) and (a)(8). CEQA: Exempt per Guidelines Section 15061(b)(3).
Capital Improvement Project Scoping: Funding for early cost estimates, resource identification, conceptual design, environmental studies and/or the development of plans, strategies and studies 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.	\$0	\$100,000	\$100,000	CDBG	03	LMA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(1) and 58.34(a)(8). CEQA: Exempt per Guidelines Section 15061(b)(3).
Public Facility Notice of Funding Availability (NOFA): SHRA to issue Notice of Funding Availability (NOFA) for CDBG-eligible capital improvements to a public facility located in low- and moderate-income areas.	\$0	\$100,000	\$100,000	CDBG	03E	LMA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).

Activity Name	Previous Years Reprogramming	2015 Proposed Funding	Total Funding	Source	CDBG IDIS Matrix Code	CDBG National Objective	Environmental Clearance
Public Improvements Delivery: Staffing and supportive services for Choice Neighborhoods Initiative, Section 3 related activities, environmental and capital improvement projects in 2015.	\$0	\$190,415	\$190,415	CDBG	03	LMA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).
Total Infrastructure and Public Improvements	\$0	\$1,410,415					

HOUSING DEVELOPMENT, PRESERVATION AND HOMEOWNERSHIP

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

Activity Name	Previous Years Reprogramming	2015 Proposed Funding	Total Funding	Source	CDBG IDIS Matrix Code	CDBG National Objective	Environmental Clearance
Multi-Family Housing Acquisition and Rehabilitation: Provides loans for the acquisition and rehabilitation of low- and moderate-income multi-family housing.	\$0	\$169,753	\$169,753	CDBG PI	14B	LMH	See Exhibit C
	\$0	\$816,401	\$816,401	HOME	NA	NA	
	\$0	\$94,146	\$94,146	HOME PI	NA	NA	
Total			\$1,080,300				
Multi-Family Housing New Construction: Provides loans for the construction of multi-family housing.	\$0	\$816,401	\$816,401	HOME	NA	NA	See Exhibit C
	\$0	\$94,145	\$94,145	HOME PI	NA	NA	
Total			\$910,546				
Veterans/Affordable Housing Rehabilitation Program: Provides loans and/or grants to rehabilitate low- and moderate-income multi-family housing units.	\$0	\$500,000	\$500,000	CDBG	14B	LMH	See Exhibit C
Emergency Repair Program/Accessibility Grant Program (ERP-A): This program provides funding for the program's administration, delivery/staff costs and 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.	\$0	\$50,000	\$50,000	CDBG	14A	LMH	Environmental review is complete. See Exhibit C.

Activity Name	Previous Years Reprogramming	2015 Proposed Funding	Total Funding	Source	CDBG IDIS Matrix Code	CDBG National Objective	Environmental Clearance
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).	\$0	\$46,000	\$46,000	CDBG	14H	LMH	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).
Housing Programs Delivery: Supportive services for affirmatively furthering fair housing, affordable housing/multi-family rehabilitation/new construction, Section 3 related activities, environmental and emergency repair/accessibility programs in 2015.	\$0	\$268,782	\$268,782	CDBG	14A/14B	CDBG	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).
Total Housing Development, Preservation and Homeownership	\$0	\$2,855,628					

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	Previous Years Reprogramming	2015 Proposed Funding	Total Funding	Source	CDBG IDIS Matrix Code	CDBG National Objective	Environmental Clearance
Emergency Solutions Grant: Funds to provide homeless prevention and rapid re-housing in addition to emergency housing/shelters, delivery, operations and maintenance of facilities and essential supportive services per ESG regulations.	\$0	\$322,069	\$322,069	ESG	NA	NA	Environmental review is complete. NEPA: Categorically excluded per 24 CFR 50.19(b). CEQA: Exempt per Guidelines Section 15061(b)(3).
Homeless Activities: Funds will be used to design, administer, and implement homeless programs including but not limited to housing and shelter, detoxification, medical and counseling services, and the provision of food.	\$0	\$70,000	\$70,000	CDBG	05	LMC	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3) and (a)(4), Cat Ex 24 CFR 58.35(b)(2). CEQA: Exempt per Guidelines Section 15061(b)(3).
Meals on Wheels: Provides meals to homebound seniors and to non-homebound seniors at over 20 dining sites.	\$0	\$485,043	\$485,043	CDBG	05A	LMC	Environmental review is complete. NEPA: Categorically excluded per 24 CFR 58.35(b)(2). CEQA: Exempt per Guidelines Section 15061(b)(3).
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.	\$0	\$120,000	\$120,000	CDBG	05	CDBG	Environmental review is complete. NEPA: Categorically excluded per 24 CFR 58.35(b)(2). CEQA: Exempt per Guidelines Section 15061(b)(3).
HOPWA - City and County of Sacramento: Provides for short-term emergency housing and tenant-based rental assistance, housing placement services, supportive services and operations for persons with HIV/AIDS in the City and County of Sacramento.	\$0	\$747,050	\$747,050	HOPWA	NA	NA	Environmental review is complete. NEPA: Categorically excluded per 24 CFR 58.35(b)(1), (b)(2) and (b)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).

HOPWA - Yolo County: Provides for short-term emergency housing and tenant-based rental assistance, housing placement services and supportive services for persons with HIV/AIDS in Yolo County.	\$0	\$37,000	\$37,000	HOPWA	NA	NA	Environmental review is complete. NEPA: Categoricaly excluded per 24 CFR 58.35(b)(1) and (b)(2). CEQA: Exempt per Guidelines Section 15061(b)(3).
HOPWA - El Dorado and Placer Counties: Provides for short-term emergency housing and tenant-based rental assistance, housing placement services and supportive services for persons with HIV/AIDS in El Dorado and Placer Counties.	\$0	\$90,000	\$90,000	HOPWA	NA	NA	Environmental review is complete. NEPA: Categoricaly excluded per 24 CFR 58.35(b)(1) and (b)(2). CEQA: Exempt per Guidelines Section 15061(b)(3).
Total Public Services	\$0	\$1,871,162					

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.

Activity Name	Previous Years Reprogramming	2015 Proposed Funding	Total Funding	Source	CDBG IDIS Matrix Code	CDBG National Objective	Environmental Clearance
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.	\$0	\$340,950	\$340,950	CDBG	19F	LMH	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(2) and (a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).
	\$0	\$52,152	\$52,152	CDBG PI	19F	LMH	
Total Section 108 Loan Repayment	\$0	\$393,102					

GRANT PLANNING AND ADMINISTRATION

The following are related to immediate/intermediate term 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. For HOPWA, the limit is 3 percent. For ESG, the limit is 7.5 percent.

Activity Name	Previous Years Reprogramming	2015 Proposed Funding	Total Funding	Source	CDBG IDIS Matrix Code	CDBG National Objective	Environmental Clearance
Consolidated Planning: Planning related to public facility and infrastructure improvements, affordable housing and homeless/HEARTH Act activities.	\$0	\$100,000	\$100,000	CDBG	20	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(1) and 58.34(a)(8). CEQA: Exempt per Guidelines Section 15262.
Analysis of Impediments to Fair Housing Choice: Provides funds for the solicitation and award of a consultant contract to develop the Analysis.	\$0	\$100,000	\$100,000	CDBG	20	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(1) and (a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).
Fair Housing Activities: Provides funds to further fair housing, including outreach, referral and other eligible activities to affirmatively further fair housing.	\$50,000	\$0	\$50,000	CDBG	21D	NA	Environmental review is complete. NEPA: Cat Ex per 24 CFR 58.35(b)(2). CEQA: Exempt per Guidelines Section 15061(b)(3).
2015 Homeless Point-in-Time Count: Provides funds for activities associated with the federally mandated homeless point-in-time count.	\$50,000	\$0	\$50,000	CDBG	20	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(1), (a)(3) and (a)(9). CEQA: Exempt per Guidelines Section 15061(b)(3).
Del Paso Heights Commercial Strategy: Provides funds to determine strategy of commercial development in Del Paso Heights. Work can include market analysis, site evaluation, envisioning and community outreach.	\$0	\$50,000	\$50,000	CDBG	20	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(1). CEQA: Exempt per Guidelines Section 15262.
Del Paso Boulevard Infrastructure Study: Provides funds to identify types of utilities (including, water, sewer, drainage, electrical, gas and communications lines); sidewalk, lighting, signage, landscaping, irrigation, roadway and site grading improvements for the low-income community of Del Paso.	\$0	\$50,000	\$50,000	CDBG	20	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(1). CEQA: Exempt per Guidelines Section 15262.

Activity Name	Previous Years Reprogramming	2015 Proposed Funding	Total Funding	Source	CDBG IDIS Matrix Code	CDBG National Objective	Environmental Clearance
ESG Program Administration: Administrative services for the implementation of ESG-funded activities in 2015.	\$0	\$26,114	\$26,114	ESG	NA	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).
Home Program Administration: Administrative services for the implementation of HOME-funded activities in 2015.	\$0	\$181,423	\$181,423	HOME	NA	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).
	\$0	\$20,921	\$20,921	HOME PI	NA	NA	
HOPWA Program Administration: Administrative services for the implementation of HOPWA-funded activities in 2015.	\$0	\$27,000	\$27,000	HOPWA	NA	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).
Section 3 Program Delivery: Supportive services for First Source Sacramento and Section 3 related activities in 2015.	\$0	\$15,000	\$15,000	CDBG	21A	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(3). CEQA: Exempt per
CDBG Planning and Administration: Administrative & Planning services for CDBG programs in 2015.	\$0	\$297,014	\$297,014	CDBG	21A	NA	Environmental review is complete. NEPA: Exempt per 24 CFR 58.34(a)(1) and (a)(3). CEQA: Exempt per Guidelines Section 15061(b)(3).
Subtotal Grant Planning and Administration:	\$100,000	\$867,472					
Total Grant Planning and Administration:			\$967,472				

CDBG CAPITAL RESERVE

Activity Name	Previous Years Reprogramming	2015 Proposed Funding	Total Funding	Source	CDBG IDIS Matrix Code	CDBG National Objective	Environmental Clearance
<p>Capital Reserve: Reserve account for overruns in capital improvement activities and to fund budgeted activities in 2015 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.</p>	\$0	\$466,555	\$466,555	CDBG	22	NA	Not subject to environmental review.

**City of Sacramento
Environmental Determination**

Main Avenue Ball Field: Provides funds for environmental clearance and design and construction of a neighborhood ballfield located at Main Elementary School, construction work to include installation of turf, field striping, landscaping, drainage and irrigation. Environmental clearance, design and engineering are Exempt under NEPA per 24 CFR 58.34(a)(1) and (a)(8) and Exempt under CEQA per Guidelines Section 15061(b)(3). It is anticipated that the construction phase of this project will require further environmental review. SHRA staff may return for further approvals in early 2015.

Downtown Street Lighting Project: Funding for replacement and/or installation of new lights in the downtown area. It is anticipated that the recommended action will be categorically exempt under California Environmental Quality Act Guidelines Section 15301 and will be categorically excluded under National Environmental Policy Act regulations, pursuant to 24 CFR 58.35(a)(1).

Veterans/Multi-Family Acquisition and Rehabilitation Program: This program provides funding for the acquisition and rehabilitation of low- and moderate-income multi-family housing. This action does not include any funding commitments or approvals for any specific project. As individual projects are identified for acquisition and/or rehabilitation, environmental review will be required prior to taking any choice limiting action or discretionary action on those specific projects.

Multi-Family Housing New Construction: Loans for the construction of multi-family housing. This action does not include any funding commitments or approvals for any specific project. As individual projects are identified for new construction, environmental review will be required prior to taking any choice limiting action or discretionary action on those specific projects.

Emergency Repair Program/Accessibility Grant Program (ERP-A): This program provides funding for the program's administration, delivery/staff costs and 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. Administration and delivery/staff costs are exempt under NEPA per 24 CFR 58.34(a)(3) and Exempt under CEQA per Guidelines Section 15061(b)(3). The emergency repair/accessibility component includes repairs and improvements to existing structures to control threats to public safety and accessibility improvements which will remove barriers that restrict mobility of and accessibility by elderly and disabled persons. These activities are Exempt under NEPA per 24 CFR 58.34(a)(10) and Categorical Excluded per 58.35(b)(3) and Categorical Exempt under CEQA per Guidelines Section 15301. Review is complete for this activity. However, any activities not covered under this environmental review are subject to additional review under CEQA and/or NEPA prior to project commencement.

2015 One-Year Action Plan

**Sacramento Housing and Redevelopment Agency
Federal Programs Division
CDBG Guide to National Objectives and Eligible Activities For
Low- to Moderate-Income (L/M) Services Areas**

The U.S. Department of Housing and Urban Development's Community Block Grant (CDBG) program describes an area benefit activity as an activity *which is available to benefit all the residents of an area which is primarily residential*. In order to qualify as addressing the national objective of benefit to L/M income persons on an area basis, an activity must meet the identified needs of L/M income persons residing in an area where at least 51% of the residents are L/M income persons. The benefits of this type of activity are available to all residents in the area regardless of income.

The requirement that an area benefit activity must qualify on the basis of the income levels of the persons who reside in the area served by the activity is statutory. (See section 105(c)(2) of the Housing and Community Development Act of 1974 as amended.) This means that the activity may not qualify as meeting the L/M income area benefit national objective on any other basis. For example, if the assisted activity is a park (park category descriptions begin on page 5) that *serves* an area having a L/M income concentration that falls below the required percentage, the activity may not qualify even if there is reason to believe that the park will actually be *used* primarily by L/M income persons. This means that, even though a predominantly L/M income neighborhood may be one of several neighborhoods served by an activity (e.g., a grocery store) the percentage of L/M income persons in the *total area served by the activity* is considered for this purpose.

Certain activities that serve an area are designed to meet the needs of only some persons in that area. An example of this would be a facility that is used exclusively as a senior center for a particular neighborhood. Such area benefit activities serving special needs usually must qualify under the Limited Clientele subcategory of the L/M Income Benefit national objective.

Typical area benefit activities include:

- Street improvements
- Water and sewer lines
- Neighborhood facilities

2015 One-Year Action Plan

Records to be Maintained:

The records that must be kept to demonstrate include:

- Boundaries of the service area and the basis for determining those boundaries, and
- The percentage of L/M income persons in the service area and the data used for determining that percentage.

The factors to be considered in making the determination of the area served are:

- The nature of the activity
- The location of the activity
- Accessibility issues
- The availability of comparable activities

Nature of Activity

In determining the boundaries of the area served by a facility, its size and how it is equipped need to be considered. For example, a park that is expected to serve an entire neighborhood cannot be so small or have so little equipment (number of swings, slides, etc.) that it would only be able to serve a handful of persons at any one time. Conversely, a park (see below for park categories) which contains three ball fields, or a ball field with grandstands that can accommodate hundreds of spectators, could not reasonably be said to be designed to serve a single neighborhood. The same comparison would apply to the case of assisting a small, two-lane street in a residential neighborhood versus that of assisting an arterial four-lane street that may pass through the neighborhood but is clearly used primarily by persons passing through from other areas.

Location of Activity

Where an activity is located will also affect its capacity to serve particular areas, especially when the location of a comparable activity is considered. A library, for example, cannot reasonably be claimed to benefit an area that does not include the area in which it is located. When a facility is located near the boundary of a particular neighborhood, its service area would be expected to include portions of the adjacent neighborhood as well as the one in which it is located.

Accessibility

The accessibility of the activity also needs to be considered in defining the area served. For example, if a river or an interstate highway forms a geographic barrier that separates persons residing in an area in a way that precludes them from taking advantage of a facility that is otherwise nearby, that area should not be included in determining the area served.

2015 One-Year Action Plan

Other limits to accessibility may apply to particular activities. For example, the amount of fees to be charged, the time or duration that an activity would be available, access to transportation and parking, and the distance to be traveled can all constitute barriers to the ability of persons to benefit. Language barriers might also constitute an accessibility issue in a particular circumstance.

Comparable Activities

The nature, location, and accessibility of comparable facilities and services must also be considered in defining a service area. In most cases, the service area for one activity should not overlap with that of a comparable activity (e.g., two community centers, two clinics, or two neighborhood housing counseling services).

"Fit" of Service

Because the regulations require that census data be used to the maximum extent feasible for determining the income of persons residing in service areas, the boundaries of the service area determined by the grantee for the activity need to be compared with the boundaries of census divisions (tracts, block groups, etc.). The census divisions that best fall within the service area should be used for defining the service area for purposes of reporting on the activity and for calculating the percentage of L/M income persons residing in that area. While this means that the census divisions chosen for this purpose may exclude some limited number of persons that are in the actual service area or include some who are not, the practicality of using the census data will override unless the proportion of persons so excluded or included is too great. The alternative would be to survey excluded/included persons and to adjust the data obtained from the census computer runs accordingly. Surveys can be quite costly and their use should be limited whenever possible.

Notice CPD-14-11

On June 10, 2014, Notice CPD-14-11 was issued and it superseded Notices CPD-03-03 and 07-01. CPD-14-11 describes policy guidance regarding the updated 2014 L/M Income Summary Data (LMISD). The LMISD support the CDBG National Objective of providing benefit to l/m income persons on an area basis. The effective date of the Notice was July 1, 2014. Upon July 1, 2014, if the service area benefit activity no longer qualifies per 24 CFR 570.208(a)(1) because of the updated LMISD demonstrates a percentage of l/m income persons that is not at least 51% or the determined level of exception criteria at 24 CFR 570.208(a)(1)(ii), then starting and/or finishing the activity is to be governed by the guidance provided in the Notice and summarized below.

The Four Part Test

In order for the prior LMISD to remain in use, an activity must meet a four part test which requires:

2015 One-Year Action Plan

- An obligation before the effective date of July 1, 2014,
- A specific activity,
- A specific amount, and
- A clearly defined service area.

2015 One-Year Action Plan

There are limited exceptions to the four part test. The Federal Programs Manager evaluated projects that were not under an executed agreement by July 1, 2014.

The following park category descriptions shall be utilized and can be modified at the discretion of the Federal Programs Manager:

Park Category Descriptions

PARK CATEGORY	SIZE IN ACRES	SERVICE AREA	DESCRIPTION
Neighborhood Serving:			
Neighborhood Parks	5 to 10 acres	1/2 mile	A park intended to be used primarily by the people who live nearby, within a half-mile radius of the park. Some neighborhood parks are situated adjacent to an elementary school and improvements are usually oriented toward the recreation needs of children. In addition to landscaping, improvements might include a tot lot, adventure area, and unlighted sport fields or courts.
Urban plazas/ pocket parks	Less than 5 acres	1/2 mile	A specialized neighborhood park or facility to be used primarily by persons living, working or visiting nearby. Likely more appropriate for areas of denser urban and mixed use development. Amenities may include: smaller scale features such as community gardens, children’s play areas, sitting areas, tables, fountains, hardscape, public art, walkways and landscaping.
Primary Design Elements			Basic landscaping/irrigation/turf/trees; site furniture/walkways/entry improvements/signage/drinking fountain;

2015 One-Year Action Plan

children's play area (tot lot and adventure area); picnic area with shade structure; sport court; sports field

Community Serving:

Community Parks 10 to 60 acres 2-3 miles; A park or facility developed primarily to meet the requirements of a large portion of the City/County. In addition to several neighborhoods neighborhood park amenities, a community park may include: a large group picnic area with shade structure, a community garden, a neighborhood/community Skate Park, restroom, on-site parking, bicycle trail, a nature area, a dog park, lighted sport fields or sport courts. Specialized facilities may also be found in a community park including: a community center, a water play area and/or a swimming pool. Some of the smaller community parks may be dedicated to one use, and some elements of the park may be leased to community groups.

Primary Design Elements All Neighborhood Park primary design elements; water element; field lighting; sports complex; amphitheater; restroom; parking lot; nature area

2015 One-Year Action Plan

Regionally Serving:

Regional Parks	Varies; generally larger than comm. parks and/or have destination attraction(s)	Regional	A park or facility developed with a wide range of amenities, which are not found in neighborhood or community parks to meet the needs of the entire City/County of Sacramento population. In addition to those amenities found in neighborhood and community parks, improvements may include: a golf course, marina, amusement area, zoo, and other region-wide attractions. Some facilities in the park may be under lease to community groups. <u>Note: Regional parks are not eligible for CDBG funding.</u>
Open Space/ Parkways	Varies.	N/A	Open spaces are natural areas that are set aside primarily to enhance the City/County's environmental amenities. Recreational use of these areas may be limited to natural features of the sites, such as native plant communities or wildlife habitat. Parkways are similar to open space areas because they also have limited recreational uses. They are used primarily as corridors for pedestrians and bicyclists, linking residential areas to schools, parks and trail systems. Parkways are typically linear and narrow and may be situated along a waterway, abandoned railroad, or other

2015 One-Year Action Plan

common corridor.

Note: Open Space / Parkways are not eligible for CDBG funding.

SHRA Revised 2013 - 2017 Consolidated Plan Priority Areas

