

Consolidated Annual Performance and Evaluation Reporting

January 1, 2006 through December 31, 2006

CITY OF SACRAMENTO

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ATTACHMENTS

- A. Resources Expended or Committed and Activities Completed or Committed for Affordable Housing
- B. HOME Match Report
- C. Map of Investments
- D. Del Paso Nuevo Revitalization Strategy Status Report
- E. Performance Measurements System Table
- F. AmeriNational Report
- G. Race and Ethnic Demographics Table
- H. HOPWA Performance Measurement Outcomes (HUD Form40110-D)

Attached Integrated Data Information System (IDIS) Reports

- 1. Summary of Activities – (C04PR03)
- 2. Financial Summary (C04PR26)
- 3. Summary of Accomplishments Report (C04PR23)
- 4. Grantee Summary Activity Report (C04PR08)

Executive Summary

Annually, the Sacramento Housing and Redevelopment Agency (SHRA) identifies and seeks approval from the Sacramento City Council on specific activities that will be initiated to address the goals and objectives of the 2003-2007 Consolidated Plan (Consolidated Plan) in the One-Year Action Plan. The activities funded in the One-Year Action Plan provide an increased supply of affordable housing units through construction and rehabilitation, preservation of historic properties, opportunities for low- and moderate-income people to become homeowners, job training and education, assistance to homeless persons, community development activities directed toward revitalizing neighborhoods and economic development. All activities undertaken in the One-Year Action Plan meet the goals and objectives of the Consolidated Plan.

The Consolidated Annual Performance and Evaluation Report (CAPER) is prepared by SHRA on behalf of the City of Sacramento. This annual report provides the U.S. Department of Housing and Urban Development (HUD) with an overview of accomplishments being made towards achieving the Consolidated Plan goals and objectives utilizing Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grant (ESG) funds.

General Questions

1. Assessment of the one-year goals and objectives:

- a. **Describe the accomplishments in attaining the goals and objectives for the reporting period.**

Please refer to Attachment E - Performance Measurement System table found at the end of this report.

- b. **Provide a breakdown of the CPD formula grant funds spent on grant activities for each goal and objective.**

Please refer to the attached Integrated Data Information System (IDIS) reports:

Summary of Activities – (C04PR03)
Financial Summary (C04PR26)
Summary of Accomplishments Report (C04PR23)
Grantee Summary Activity Report (C04PR08)

- c. **If applicable, explain why progress was not made towards meeting the goals and objectives.**

Three programs under Goal 1: Develop, preserve, and finance a continuum of affordable housing opportunities, had lower than projected production results. First, the Home Assistance Repair Program for Seniors (HARPS), lacked volunteers to work in the program. HARPS placed advertisements on Regional Transit buses and articles

were written for a local newspaper. This outreach provided additional volunteers and clients.

Second, the SHRA Homebuyer Programs had reduced numbers of homebuyer loans. This can be attributed to the increasing median sales prices in Sacramento over the past few years. However, the amount of subsidy per homebuyer has increased.

Third, under the Single Family Rehabilitation Program, many loans were funded with funds other than CDBG such as CalHome, HOME, and some Tax Increment. The actual production is about 87% of the Consolidated Plan goal. Please refer to the Self –Evaluation section of this report.

2. Describe the manner in which the recipient would change its program as a result of its experiences.

In 2006, the loan available under the First-Time Homebuyer Program was increased to 20% of the sales price (up to \$40,000) to respond to the increasing sales prices. Please refer to the Self-Evaluation section of this report.

3. Affirmatively Furthering Fair Housing:

SHRA currently contracts with the Human Rights Fair Housing (HR/FH) Commission to further fair housing in the County of Sacramento and the cities of Sacramento, Folsom, Isleton and Galt and to affirmatively further fair housing choices for protected classes under the Fair Housing Act. In carrying out its contracted activities, the Commission provided services to all classes of persons protected under the Fair Housing Act without regard to income. In 2006, the Commission provided services that affirmatively furthered fair housing choices in the following areas: investigation of fair housing discrimination complaints, fair housing testing, fair housing education and outreach, and fair housing audits. The Commission investigated complaints of housing discrimination for protected classes that came to its attention through its daily business operations or from referrals from other agencies. All complaints were thoroughly documented and summaries of each complaint were forwarded to SHRA. Below are the 2006 accomplishments for all jurisdictions included in the HR/FH contract:

- Responded to 160 housing discrimination phone calls
- Responded to 235 housing discrimination walk-ins
- Resolved 17 housing discrimination cases
- Tested 76 discrimination cases
- Provided tester training to 10 persons
- Completed 105 audit tests
- Completed 17 audit re-testing
- Mailed out over 4,800 fair housing brochures in multiple languages
- Presented 11 fair housing/education workshops to the housing industry
- Presented 8 fair housing/education workshops to social service agencies
- Staff attended three fair housing training/education workshops

SHRA also contracts with the Sacramento Housing Alliance (SHA) to carry out education programs to increase the public's awareness of the need for affordable and fair housing. The purpose of the program is to provide general information regarding the need for affordable housing, to dispel negative stereotypes, and to increase community acceptance of such housing.

On June 22, 2006, SHA conducted the Affordable Housing Showcase, a successful bus tour of 14 affordable housing developments. The purpose of the showcase was to dispel myths about affordable housing and highlight quality affordable housing developments.

SHA also made presentations to 20 groups and over 500 individuals throughout the City and County of Sacramento including the following organizations in 2006:

- North Natomas Neighborhood Association
- California State University, Social Work Program
- Hagginwood Neighborhood Association
- Neighborhood Advisory Group Area 1
- Gray Panthers
- Sacramento Metro Soroptomists
- Rio Linda/Elverta Chamber of Commerce
- Tallac Village Neighborhood Association
- UCD Community Development
- Grande Neighborhood Association
- Sacramento Rotary Club
- Historic Folsom Residents Association

a. Provide a summary of impediments to fair housing choice.

The Analysis of Impediments (AI) for Fair Housing Choice (completed in 2004) reported that the fair housing environment is positive in the Sacramento region. The region fosters diversity and racial tolerance, and public and private agencies are proactive in mitigating any existing fair housing challenges. However, although segregated housing patterns still exist, particularly in older neighborhoods, new housing developments and neighborhoods are diverse and reflective of the racial and ethnic composition of the Sacramento region.

Despite the favorable fair housing environment in Sacramento, there are still identified impediments which include:

- The need for more affordable housing, particularly in the smaller communities. Lack of affordable housing disproportionately impacts minority and single parent households. SHRA refers individuals to the Human Rights and Fair Housing Commission where discrimination claims are investigated. Further, CDBG funded housing programs are available throughout the City and County. Stringent non discrimination guidelines are followed which help all individuals find and maintain housing Affirmatively Furthering Fair Housing (AFFH).
- Deficiencies in fair housing services, including enforcement, education and outreach were identified. SHRA, Human Rights Fair Housing Commission, and Sacramento Housing Alliance staff continued to work throughout 2006 to alleviate these impediments making further improvements.

b. Identify actions taken to overcome effects of impediments identified.

Actions taken by local jurisdictions to help overcome impediments to affordable housing include:

- Streamlined permitting for affordable housing developments.
- Ongoing implementation of the City's Inclusionary Housing Ordinance program has resulted in a total of 1,552 affordable housing that have been constructed or are planned for construction. Of this total, 1,017 units are affordable to very-low income households and 535 units are affordable to low-income households.
- Implementing infill ordinances for workforce housing coupled with housing trust funds.
- Quality of life streetscape improvements and commercial rehabilitation on older commercial corridors which helps to preserve affordable housing in adjacent neighborhoods.
- Use of State of California Bond Funds, Proposition 46 and 63. Proposition 46, the Housing and Emergency Shelter Trust Act of 2002, is a \$2.1 billion dollar measure to help fund the construction, rehabilitation and preservation of affordable rental housing, emergency shelters and homeless facilities as well as funds that can be used to provide down payment assistance to low and moderate income home buyers. Seniors, families with children, teachers, disabled persons, veterans and working people benefit from the bond funds. Organizations throughout the County of Sacramento received over \$10 million for Prop 46 including SHRA which received half of this or \$5.1 million for the Cal Home and Building Equity and Growth in Neighborhoods (BEGIN) programs. Almost \$2.2 million of this is Del Paso Nuevo in the City of Sacramento. Proposition 63, the Mental Health Services Act of 2004 is just beginning to make awards and SHRA staff worked 2006 to receive funds in 2007.
- Down payment assistance for first time homebuyers.
- Financing of quality non profits who build affordable housing including Community Housing Opportunities Corporation (CHOC), Mercy Housing and Sacramento Mutual Housing.
- Bus tour with Sacramento Housing Alliance of affordable housing projects to educate different segments of the community on the quality and service provided by modern up to date affordable housing developments.
- Incentives for transit oriented development which improves the housing supply for low and moderate income residents combining the benefits of housing and public transit.

4. Describe Other Actions in Strategic Plan or Action Plan taken to address obstacles to meeting underserved needs.

The Housing Policy and Development Department at SHRA will continue efforts to implement new strategies and strengthen participation of its partners to expand support for affordable housing programs in the City and County. These programs will include housing and related support services for people transitioning out of homelessness, including implementation of the Ten Year Plan to End Chronic Homelessness, as well as services for seniors and youth. The programs and strategies include:

- **SRO Strategy** - The SRO (Single Room Occupancy) strategy focuses on preservation of existing residential hotels and development of new efficiency apartments to replace inventory lost through conversion or demolition. An SRO Action Plan is being adopted for 2007 to fund rehabilitation of three older downtown SRO hotels and to identify a site to construct at least one new efficiency apartment project of approximately 75 units. Revisions to the City's SRO ordinance will strengthen protections for tenants in existing SRO's that may be closed due to market forces. The strategy also includes adoption of a "no net loss" policy to stabilize the inventory of available single-room occupancy units within the City. In addition to other sources such as low-income housing tax credits and local redevelopment funds, HOME funding may be used to provide gap financing for SRO rehabilitation or new construction projects.
- **Housing Element** - The City Planning Department and SHRA will initiate work on the City's Housing Element (July 1, 2007 to June 30, 2012). The Housing Element of the General Plan includes an analysis of existing and projected housing needs, an analysis of potential governmental constraints, residential land inventory, housing policies, programs and quantified objectives to address the City's housing needs.
- **Inclusionary** - The City's Mixed Income (Inclusionary) Housing Ordinance requires 15% of units constructed in new growth areas to be affordable to low and very low income buyers or renters. SHRA reviews and approves Affordable Housing Plans and Agreements required under the ordinance. SHRA also provides lower-interest rate gap financing to multi-family housing projects which are developed to meet the ordinance's requirements. SHRA uses HOME program funds to provide gap financing, as well as its capacity as an issuer of mortgage revenue bonds.
- **Homeless** - The City and County of Sacramento are jointly undertaking implementation of the Ten-Year Plan to End Chronic Homelessness. Sacramento's Ten Year Plan to End Chronic Homelessness reflects the best practice models from New York, Philadelphia, San Francisco, Portland, and other cities that have successfully implemented Housing First strategies for reducing chronic homelessness. The Plan envisions a system in which public and private agencies work together as a consortium to procure and manage housing, provide central intake services, and deliver support services to clients through a coordinated case management system. Another key component to be undertaken in 2007 is the new leadership structure: a policy board of high-level public and private sector community leaders to provide strategic direction, oversight and advocacy; an interagency council to coordinate service delivery and

make recommendations to the Policy Board; and staffing to coordinate plan implementation.

SHRA will also offer services in the City's, Workreation Program which provides summer youth employment, skill development, and recreational opportunities for economically challenged teenagers between the ages of 14 and 17.

5. Leveraging Resources

a. Identify progress in obtaining "other" public and private resources to address needs.

Listed below are sources of federal and non-federal funds received in 2006 for community development activities (there is some overlap between the amounts listed below and Attachment A– Resources Expended or Committed and Activities Completed or Committed for Affordable Housing).

Tax Increment

One of the major funding sources for the City of Sacramento is tax increment. Tax increment is the ability to capture a defined portion of the property tax revenues on real and personal property from all eligible taxing jurisdictions in a designated slum and blight area. In 2006, a total of **\$10,089, 254** in tax increment funds provided much needed assistance in redevelopment areas within the City of Sacramento.

Program Income

Program income is mainly revenue from the repayment of CDBG/HOME rehabilitation and commercial loans.

Sources of 2006 CDBG Program Income and Revolving Loans Funds Revenue:

Commercial Revolving Loan Fund (RLF) Interest Income	\$317,519
Commercial RLF Loan Repayments	\$18,301
Commercial RLF Miscellaneous Income	\$45,839
Single-family Rehabilitation RLF Interest Income	\$33,033
Single-family Rehabilitation RLF Loan Repayments	\$71,566
Single-family Rehabilitation RLF Loan/Deferred Repayments	\$256,249
Multi-Family Rehabilitation RLF Interest Income	\$13,464
Multi-Family Rehabilitation RLF Loan Repayments	\$48,051
First Time Homebuyers RLF Interest Income	\$10,095
First Time Homebuyers RLF Loan/Deferred Repayments	\$169,676
First Time Homebuyer RLF Miscellaneous Income	\$5,934
Total	\$989,727

Sources of 2006 HOME Program Income and Revolving Loans Funds Revenue:

Miscellaneous Income	\$150
Rehabilitation RLF Interest Income on Investments	\$93,144
Rehabilitation RLF Interest Income on Loans	\$246,321

Rehabilitation RLF Loan Repayments	\$192,838
Rehabilitation RLF Loan/Deferred Repayments	\$150,951
Total	\$683,404

Emergency Shelter Grant (ESG)

Over \$936,000 in additional cash resources, grants and other contributions were leveraged in addition to ESG funding for a total of \$1,193,814 for the emergency shelter program in the City and County.

Housing Opportunities for Persons with AIDS (HOPWA).

An additional \$600,000 was leveraged by the \$800,000 HOPWA funds in 2006 for a total of \$1.4 million for housing and services provided to persons with HIV/AIDS.

Non-Profits

Private fund raising, donations, and in-kind services provided by subrecipients are utilized to carry out programs that meet needs identified in the Consolidated Plan. Non-profits include: Rebuilding Together, Home Assisted Repair Program for Seniors, and Neighborhood Housing Services.

Housing Activities

2006 Consolidated Plan housing activities shown in Attachment A indicate that SHRA expended **\$18, 728,508** federal funds and leveraged **\$263,173,968** in private resources in the City.

This has provided an overall leverage ratio of **\$14.05** of non-federal funds for every \$1.00 of federal funds. As can be seen in Attachment A, new construction and first-time homebuyer activities provide the highest leverage of federal funds.

b. How Federal resources from HUD leveraged other public and private resources.

Please refer to Attachment A - Resources Expended or Committed and Activities Completed or Committed for Affordable Housing and Attachment E –Performance Measurements System table for further information.

c. How matching requirements were satisfied.

Please refer to the Homeless section for information regarding the ESG match requirement, and the Housing section for information regarding the HOME match requirement.

Managing the Process

1. Describe actions taken during the last year to ensure compliance with program and comprehensive planning requirements.

CDBG Eligibility

CDBG administrative staff has implemented a variety of internal procedures to ensure compliance with program regulations. Prior to receiving governing body approval, all projects or programs funded with CDBG are reviewed to meet eligibility and national objective criteria. Once approval is received each project/program is cleared environmentally before contracts are executed.

CDBG administrative staff provides annual training to subrecipients and SHRA staff to further ensure project/program compliance. The training provides an overview of the CDBG program, CDBG processes, regulatory and reporting requirements, billing procedures and available CDBG resources. In addition, CDBG staff is always available to answer CDBG eligibility questions.

HOME Eligibility

HOME administrative staff has implemented procedures to ensure compliance with program regulations. All projects receiving HOME loans must have management and social service plans approved by SHRA. The plans are to include tenant screening procedures; project proformas that demonstrate project sustainability; experienced developers in affordable housing; and mandatory regulatory agreements to proportionately restrict income eligibility/rents of funded HOME units to total project cost.

ESG Eligibility

ESG is under the purview of the County of Sacramento's Department of Human Assistance (DHA). The ESG funded program is reviewed by DHA staff to ensure the program meet ESG eligibility criteria. DHA staff also review program activities and billings on a monthly basis to ensure compliance with regulations provided by HUD.

HOPWA Eligibility

HOPWA is under the purview of the County of Sacramento's Department of Human Assistance (DHA). The HOPWA formula program is reviewed and ranked by an independent committee comprised of faith leaders, community based organizations, case managers and homeless providers who have history and knowledge of HIV issues.

The subcommittee members base their decision on funding eligible programs if it meets HUD eligibility requirements and the program's scope of service. DHA staff also review all program activities and billings on a monthly basis to ensure compliance with regulations provided by HUD.

Citizen Participation

1. Provide a summary of citizen comments.

This report was made available to the public on March 12, 2007. A public notice was published in the *Sacramento Bee* and the *Vida en el Valle (Life in the Valley)* – a subsidiary of the McClatchy Company which distributes the *Sacramento Be*. No comments were received.

- 2. In addition, the performance report provided to citizens must identify the Federal funds made available for furthering the objectives of the Consolidated Plan. For each formula grant program, the grantee shall identify the total amount of funds available (including estimated program income), the total amount of funds committed during the reporting period, the total amount expended during the reporting period, and the geographic distribution and location of expenditures. Jurisdictions are encouraged to include maps in describing the geographic distribution and location of investment (including areas of minority concentration). The geographic distribution and expenditure requirement may also be satisfied by specifying the census tracts where expenditures were concentrated.**

Please refer to information in the Leveraging Resources and the Self-Evaluation portions of this report located under headings "General" and "Community Development," and Attachment C – Map of Investments for information.

Institutional Structure

- 1. Describe actions taken during the last year to overcome gaps in institutional structures and enhance coordination.**

Sacramento Housing and Redevelopment Agency (SHRA) is a Joint Powers Authority created as a public agency by the City and County of Sacramento in 1973. SHRA is the lead public agency for the City and County regarding affordable housing, public housing, and community/neighborhood development. As a joint City/County agency, SHRA can address a number of cross jurisdictional and regional challenges as many housing and community development issues transcend geographic boundaries. For example, the redevelopment areas of Stockton Boulevard, Franklin Boulevard and Auburn Boulevard transect jurisdictional boundaries and share common issues of concern.

In 2006, SHRA restructured several of its programs into the new Community Development and Housing Policy and Development Departments. The Community Development Department is focused on the planning and implementation of redevelopment, community development, and neighborhood revitalization projects within 12 redevelopment areas and numerous low-income neighborhoods. It is primarily responsible for the administration of the various redevelopment project areas and the expenditures of tax increment and bond funds to address the revitalization of the most blighted communities. It also administers the Community Development Block Grant (CDBG) program and numerous federal state and local grants on behalf of the City and County of Sacramento.

Further, it promotes economic development activities through commercial loans and exterior rebates that address the need to upgrade commercial buildings in the older commercial corridors of the City and County. Owners provide matching funds from their own resources or through local lenders' participation. The highly visible improvements, in turn, help generate further business activity in the area. The Community Development Department also administers five Enterprise Zones, including those on former military bases, which provide state tax advantages to businesses that locate or expand in them, or that hire lower income persons. Additionally, the Department administers the Grow Sacramento loan program, providing funding and technical assistance to small expanding businesses that create new jobs.

The Housing Policy and Development Department (HPD) is the Agency's affordable housing lender. HPD provides a range of policy and planning services to all Agency departments and oversees its portfolio management operations. The Department's purpose is to invest public funds in new construction or rehabilitation projects that preserve and expand the supply of affordable housing. HPD leads the Agency's affordable housing policy initiatives in cooperation with the City and County. HPD's Portfolio Management Division oversees the Agency's multi-family loan portfolio and compliance monitoring activities as well as asset managing Agency real estate.

The Department underwrites and originates loans, issues tax-exempt mortgage revenue bonds, creates public financing structures, develops policy initiatives, and manages the Agency's multi-family loan servicing as its primary activities.

Monitoring

1. Describe how and the frequency with which you monitored your activities.

CDBG and HOME Monitoring, Procurement and Labor Compliance

To implement an effective CDBG program, activities must be monitored on a consistent basis. Monitoring visits in part determine if the subrecipient is carrying out its program and activities within the timeline denoted in the subrecipient agreement. It also ensures that the required records are maintained to demonstrate compliance with applicable regulations. CDBG administrative staff conducts monitoring reviews of each subrecipient every one to two years to ensure program compliance with HUD regulations.

SHRA's Procurement Services provides assistance to staff and subrecipients with bidding requirements, Minority/Women Business Enterprise (M/WBE), Section 3 objectives, and labor compliance issues. Additionally, Procurement staff continues to increase outreach to M/WBE firms by participating with other government entities (City and County of Sacramento, State of California, and local business information centers) at contracting seminars, which exposes the attendees to a variety of contracting opportunities at SHRA.

Portfolio Management monitors HOME projects routinely to confirm that residents meet HOME qualifications and CDBG commercial, single and multifamily project loans and regulatory agreements.

ESG and HOPWA

ESG and HOPWA funded programs are monitored by the following DHA staff for contract compliance, financial management systems and programmatic activity:

- Contract Analysts review contract and amendment language for mandatory monthly reporting requirements. Staff use this language as a monitoring tool to ensure contract compliance for provider participants. Staff also reviews monthly program reports. These reports capture entrance and exit activities for all program participants as well as demographic information including number of participants served, participant income level, ethnic information, and where participants exit to upon completion of the program.
- Program Planners provide support to providers through numerous venues: site visits, telephone calls, meetings and incident reports to monitor provider activity.

- Contract Analysts monitor payment requests to ensure the program remains within the allocated amounts and expenditures are appropriate.

DHA staff also conduct site monitoring visits to review all program records, file maintenance and conduct program safety inspections.

2. Describe the results of your monitoring including any improvements.

CDBG

CDBG monitoring of subrecipients is conducted in two phases. The first phase entails SHRA financial staff reviewing the subrecipient's financial documents prior to the on-site visit which focuses on programmatic issues. In the second phase, CDBG administrative staff completes on-site monitoring visits of the subrecipients. In 2006, staff monitored three City and County capital improvement projects and a jointly funded program. These were a City of Sacramento Department of Transportation project, the Stanford Settlement Center Rehabilitation Project and the Home Assistance and Repair Program for Seniors (HARPS). As in the past, common findings among subrecipients related to file retention/organization and procurement. As a result, CDBG administrative staff met with subrecipients to explain proper file retention/organization procedures, and also required that some subrecipients meet with SHRA Procurement staff to discuss procurement regulations as applicable.

HOME/CDBG Portfolio Management

SHRA's Portfolio Management Unit conducted 46 on-site monitoring reviews on HOME-funded rental housing projects. Monitoring included a sample audit of the project's tenant eligibility documentation, a physical inspection of a sample of rental units, a physical inspection of the exterior of the projects, and an assessment of property management and social services policies and procedures. In addition, project managers submitted the annual Unit Status Report for rental projects. The Unit Status Report includes a listing of current tenants occupying HOME-assisted units, household annual income, source of income, household size, current rent amount, and income designation.

As a result of the monitoring reviews, 39 projects were identified to have exceptions in regards to the tenant eligibility documentation required by the HOME program. Of these projects, seven (18%) had file management errors, 25 (64%) had eligibility documentation errors, and seven (18%) had property management concerns. Four projects required additional file reviews to ensure compliance with the eligibility documentation requirements. For the other projects, the Borrowers received written notifications of the file exceptions and submitted corrections and/or Action Plans in a timely manner, thus avoiding non-compliance penalties. It should also be noted that all projects were in compliance with the rent and income requirements of the HOME Program.

To determine if the projects are in compliance with all applicable Housing Quality Standards (HQS) inspections and local code requirements, 38 inspections were conducted. Of the 38 inspections, five projects or 13% were found to have failed units. As with previous years, the main failed items consisted of extreme unsanitary conditions and units presenting fire hazards due to overcrowding and trash. Three projects were noted for failed exterior items which included deteriorated siding and balcony landings, as well as trash viewed throughout the premises. The inspections found 24 projects to

have one or more units with notable items that were not determined to be failed issues. In all instances, corrections were made in a timely manner and all projects were brought in compliance with HQS guidelines.

During the period, 88 single-family loans were reviewed for re-qualification, owner occupancy, site inspections, deferment continuation, gathering and analyzing financial information, and/or for modification of loan documents. All loans were found to be satisfactory and are meeting HOME and CDBG regulatory requirements.

The commercial loan portfolio files are monitored for conformance with the repayment and insurance requirements of the loan agreement and promissory note. The monitoring of files provides verification that the use, terms and repayment schedules are being met. If there is a problem, staff works to resolve repayment issues through borrower contact, site visits, processing deferment and subordination requests, as well as initiating and completing workout plans and foreclosure actions as necessary to protect SHRA's assets.

Department of Human Assistance

On a monthly basis, DHA staff reviews program invoices and required data collection for compliance with ESG regulations. In 2006, greater technical assistance was provided to St. John's Shelter for Women and Children. This assistance was used to gain proficiency at using the Homeless Management Information System (HMIS) as a tool for population tracking and measuring program effectiveness. DHA staff also continues to work with HUD and HomeBase (HUD approved technical advisor) for guidance on the development of a comprehensive procedures manual for implementation of the ESG program. This document is expected to be finalized in February 2007.

In order to gather accurate annual demographic information and standardize monthly reporting systems used for monitoring purposes, DHA staff created a new reporting form for monthly reporting by HOPWA formula grant project sponsors that is modeled after the HOPWA Annual Progress Report for competitive grants. This form will expedite data entry into Integrated Disbursement and Information System (IDIS). Project sponsors have been trained in using the new form, and it was implemented in August 2006 for July 2006 monthly reporting. Project sponsors for active and stewardship projects will use the form for annual reporting to DHA for 2006. Ongoing IDIS training continues for DHA staff and providers.

In 2006, DHA conducted a massive cleanup project in IDIS to input missing data and to close out activities from 1999 to 2004. DHA has requested technical assistance from HUD in developing a comprehensive procedure manual similar to ESG that can be used by staff. HOPWA project sponsors have also been introduced to HMIS, which some have implemented in their programs to help capture data for additional HOPWA reporting purposes.

3. Self Evaluation

- a. Describe the effect programs have in solving neighborhood and community problems.

CDBG Self Evaluation

SHRA continues to work on solutions to solve community problems by meeting with various community leaders and key stakeholder groups to understand the pertinent issues. SHRA utilizes numerous funding sources including CDBG, HOME and TI funds affecting a particular neighborhood to address community needs. Below are two examples of CDBG funded programs that have contributed to solving neighborhood and community problems.

Problem: Community concerns about affordable housing developments.

Solution: Sacramento Housing Alliance (SHA) 2006 Bus Tour

In June 2006, SHA conducted the Affordable Housing Showcase, a successful bus tour of 14 affordable housing developments. It was well attended by Sacramento Mayor Heather Fargo, Citrus Heights City Councilmember James Shelby, representatives of the County of Sacramento Community Planning Advisory and Community Councils of Cordova, Rio Linda/Elverta, South Sacramento and Vineyard, Sacramento city neighborhoods of Downtown, Oak Park, and other organizations involved in housing.

The purpose of the tour was to dispel myths and stereotypes. During the bus tour, a skeptical leader of a neighborhood association said, "Thank you, I was very concerned about affordable housing and the impact to our neighborhood. Now I know the right questions to ask so that I know we are approving quality affordable housing."

The success of the bus tour created opportunities for follow up by SHA with neighborhood associations and others. SHA plans a series of forums based on the feedback received during the tour and tour planning. The forums will focus on specific questions asked and answers that help create positive community reception to quality affordable housing.

Problem: Time delays in project delivery

Solution: Consolidate CDBG funded contracts management and implementation within the CDBG Unit

During 2006, many changes were made within the Community Development Department to expedite project delivery. Specific to CDBG was the consolidation of CDBG funded contracts, management and implementation under the CDBG Unit. CDBG staff will continue to coordinate with the redevelopment and jurisdictional planners. CDBG staff will prepare and manage the contracts, though, to ensure continuity and reduce project time lost due to staffing changes.

b. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.

Please also refer to Attachment E - Performance Measurement System table for 2006 progress towards meeting the Consolidated Plan priority needs.

c. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.

In 2006, 591 housing units were built, rehabilitated or purchased with CDBG and HOME funds. This includes single family first time homebuyers and rehabilitation, multifamily rehabilitation and new construction, and other rehabilitation programs done through non profits. In addition, housing and other services were provided to people in emergency circumstances and to those with HIV/AIDS. Please refer to the following Homeless and Non Homeless Special Needs sections and Attachment A – Resources Expended or Committed and Activities Completed or Committed for Affordable Housing for further descriptions. Further, several parks and other capital improvements completed are detailed in Attachment E - Performance Measurement System table.

d. Indicate any activities falling behind schedule.

Three programs under Goal 1: Develop, preserve, and finance a continuum of affordable housing opportunities, had lower than projected production results. First, the Home Assistance Repair Program for Seniors (HARPS), lacked volunteers to work in the program. HARPS placed advertisements on Regional Transit buses and articles were written for a local newspaper. This outreach provided additional volunteers and clients.

Second, the SHRA Homebuyer Programs had reduced numbers of homebuyer loans. This can be attributed to the increasing median sales prices in Sacramento over the past few years. However, the amount of subsidy per homebuyer has increased.

Third, under the Single Family Rehabilitation Program, many loans were funded with funds other than CDBG such as CalHome, HOME, and some Tax Increment. The actual production is about 87% of the Consolidated Plan goal.

CDBG 1.5 Requirement

As of October 31st of each year, HUD requires that the City have no more than 1.5 times the entitlement in its account. SHRA met this requirement by October 2006. To accomplish this requirement, CDBG administrative staff performed weekly reviews of expenditures beginning in March and recommended Action Plan amendments to facilitate timely expenditures. In March 2006, the City Council defunded slow-moving activities and reallocated funds to other priority activities that could utilize the funds expeditiously.

In past years, an area contributing to the 1.5 challenge was subrecipient contracting, especially for public services activities. To address this issue in 2005 and continuing in 2006, public service contracts are written with an effective date of January 1st and an ending date of December 31st. This helps ensure that public service dollars are spent within a calendar year and unused dollars are reallocated to other activities.

HOME

Based on HUD regulations, HOME entitlement funds are required to be committed within 24 months of award. As of January 2007, HOME entitlements for program years 1992 through 2005 were fully committed.

HUD regulations also require that HOME entitlement funds be disbursed within 60 months of award. An evaluation is made by April 1st of each year to ensure that this regulation is being met. As of March 2007, the total entitlement amount for program years 1992 through 2002 was fully disbursed.

Lastly, HUD regulations require that within 24 months of award, no less than 15 percent of HOME entitlement must be set aside of housing owned, developed or sponsored by a Community Housing Development Organization (CHDO). As of March 2007, the commitment requirements for program years 1992 through 2005 were met.

ESG and HOPWA

SHRA staff coordinated with DHA to ensure timely draw downs of previous years ESG and HOPWA funds for fiscal year 2006. Additionally, DHA staff is committed to providing accurate non-duplicate demographic information in IDIS to comply with HUD's reporting requirements.

e. Describe how activities and strategies made an impact on identified needs.

CDBG, HOME, ESG, and HOPWA funds created affordable housing opportunities. All funds worked towards relieving gaps and underserved needs in depressed neighborhoods and providing equitable service delivery.

f. Identify indicators that would best describe the results.

Please refer to Attachment E - Performance Measurements System table for further information.

g. Identify barriers that had a negative impact on fulfilling the strategies and overall vision.

Although soaring land and housing prices made affordable housing difficult to impossible to find for very low- and low-income households, it also put homeownership out of reach for the average worker such as teachers, firemen, and police. In addition, construction costs have greatly increased

with construction materials being scarce and prices are high. Finding suitable contractors further add to the challenge.

h. Identify whether major goals are on target and discuss reasons for those that are not on target.

The City of Sacramento is on target to meet the goals identified in the 2003-2007 Consolidated Plan. Please refer to Attachment E - Performance Measurements System table for accomplishment data.

i. Identify any adjustments or improvements to strategies and activities that might meet your needs more effectively.

In 2006, SHRA restructured the Community Development and Housing Policy and Development Departments to create more effective project and service delivery. The purpose is twofold: consolidate implementation and increase staff expertise. This should expedite project funding, reduce time delays in delivery and focus analytic expertise.

4. Lead-based Paint

a. Describe actions taken during the last year to evaluate and reduce lead-based paint hazards.

The Department of Health and Human Services and SHRA have taken actions to reduce lead-based paint hazards in accordance with HUD regulations. Housing units with lead-based paint were identified and actions were taken to remove the hazard.

Childhood Lead Poisoning Prevention Program (CLPPP)

Outreach and education regarding lead poisoning and prevention practices is provided by the Health Education Unit and Public Health Nurses (PHNs) in the Public Health Nursing Field Services Unit. Trainings on lead screening protocols and testing services are given by Health Educators and PHNs to community-based agency staff and medical providers. Additional outreach efforts include health fairs and media campaigns.

PHNs provide case management and follow-up for children with elevated blood lead levels detected by the Public Health Lab Lead Testing Program and all tests are reported to the State Childhood Lead Poisoning Prevention Branch. Children with elevated blood lead levels meeting the State Branch case definitions receive comprehensive/specific case management and follow-up by PHNs. Home visitation assessments/investigations by the PHN and a contracted Registered Environmental Health Specialist are done to determine possible causes of lead poisoning. Outreach and education is provided to children with elevated blood lead levels that do not meet case definitions.

Rebuilding Together

In 2006, this non-profit organization provided training and literature on lead-based paint safe work practices to the volunteers assisting with their rehabilitation and handicapped accessibility programs.

Sacramento Housing and Redevelopment Agency

Public Housing

The Housing Authority's Hazardous Materials staff routinely abates lead-based paint from all pre-1978 units whenever structural improvements are made. If a unit is deteriorating, staff immediately has the unit tested and abated as necessary. Annual visual inspections are performed on multi-family housing units and in 2006, 463 lead-based paint inspections were completed on public housing units and corrective actions were taken on 15 units to minimize the risk. Residents are also provided with information about lead-based paint hazards. Housing Authority staff attended training and seminars to stay current with State lead certification requirements.

Housing Choice Voucher

Property owners, applicants, and participants are provided general information about lead-based paint hazards and stabilization techniques using safe work practices before an inspection is conducted. Housing Choice Voucher staff performs a Housing Quality Standard (HQS) inspection of each pre-1978 unit where a child under the age of 6 is expected to reside. If any defective paint surface is observed, the unit is failed and the owner and tenant are provided with detailed information about stabilizing defective paint surfaces using safe work practices. Information is also provided about required clearances and record keeping. Once the appropriate lead-based paint abatement has taken place the unit is cleared by the HQS inspector.

SHRA Programs

SHRA's programs continue to address lead-based paint hazards in the following programs: Emergency Repair Program/ Accessibility Grants Program and SHRA funded residential rehabilitation loan programs. SHRA contracts with lead-based paint inspection services to inspect residences in these programs. The services include but are not limited to localized paint testing, full risk assessment and clearance testing. As part of the rehabilitation process, lead-based paint hazards are minimized to acceptable levels or removed. In 2006, six (6) homes were found with lead-based hazards and corrective actions were taken to eliminate the risk.

HOUSING

Housing Needs

1. Describe Actions taken during the last year to foster and maintain affordable housing.

The demand for affordable housing in the City and County of Sacramento has increased substantially as household income continues to fall seriously behind the steady increase in single-family home sales prices and rents. Although the market trend began to reverse in 2006, it has still resulted in pricing more and more low- and moderate-income households out of the housing market. The increase in demand for affordable housing affected the entire continuum of housing assistance from homeless and other special populations, low- and very low-income renters, to first-time homebuyers, and low- and

very low-income homeowners. SHRA is committed to increasing the supply of affordable housing and has worked closely with the City and County in the development of inclusionary ordinances and other policies that will help increase rental housing production and homeownership opportunities. As a lender and developer, SHRA strives to efficiently manage its resources in order to address the range of need and reach special populations, the workforce populations, and those who are moving out of the rental market and buying their first homes.

Sacramento Housing and Redevelopment Agency

Housing Authority Homes for Sale Programs

The Housing Authorities of the City and County of Sacramento have adopted a public housing homeownership program to sell part of their inventory of single family homes to public housing residents, Housing Choice Voucher (HCV) participants, and low-income households. The programs are the 5(h) and Section 32 programs (the names referring to the citations in the authorizing legislation). The 5(h) and Section 32 programs allow the Housing Authority to provide seller financing to ensure the homes would be affordable to low-income buyers (household incomes cannot exceed 80 percent of the area median income). The approved amounts of the seller carry back financing for both these programs are up to fifty percent of the sales price for priority buyers and thirty-five percent of the sales price for other public buyers. In addition, subject to availability, buyers may use other Agency homebuyer programs such as the First-Time Homebuyer and the American Dream Downpayment Initiative Program.

Housing Policy and Development Department

In 2006, SHRA re-organized to create a Department dedicated to housing policy and development. As the region's leader in housing policy, the Department has worked to refine and implement the City and County inclusionary housing ordinances, which require affordable housing to be built concurrent with new market-rate housing. In 2006 the Department completed its work on the Ten-Year Plan to End Chronic Homelessness and the Plan was adopted by the City and County. The Department also completed work on a preservation strategy and City Ordinance pertaining to Single-Room Occupancy Residential Hotels. The Department monitors and comments on federal and state legislation that will help increase rental housing production and homeownership opportunities.

As a lender and developer, the Department invests HOME and other public funds in new construction or rehabilitation projects that preserve and expand the supply of affordable housing within the City and County of Sacramento. The Department strives to efficiently manage its resources in order to address the full range of need including special needs housing, workforce housing, and first-time homebuyers.

The Department underwrites and originates loans, issues tax-exempt mortgage revenue bonds, and creates public financing structures. The Department's housing loans support new construction in growth areas, urban infill development in older neighborhoods, the rehabilitation of deteriorated properties, and preservation of existing affordable housing.

Accomplishments in 2006 in the City and County included:

- Issuance of over \$95 million tax exempt mortgage revenue bonds and \$12 million in SHRA loans to allow for over 1,500 affordable housing units.

- Adoption of the Ten-Year Plan to End Chronic Homeless.
- Adoption of the downtown Sacramento SRO preservation strategy and ordinance.
- In 2006, staff reviewed six affordable housing plans under the City's Affordable Housing Program representing 990 units. Of these, 135 are inclusionary units, 60 will be affordable to persons of low income and 110 affordable to persons of very low income. Ongoing implementation of the program has resulted in a total of 1,552 affordable housing that have been constructed or are planned for construction. Of this total, 1,017 units are affordable to very-low income households and 535 units are affordable to low-income households.

Loan Processing

The Loan Processing Division provides a unified lending process for SHRA's homeownership programs including the owner-occupied rehabilitation loans/grants and various homebuyer assistance programs. Repair programs include Emergency Repair grants, disabled accessibility modifications, loans for full rehabilitation projects and beautification grants in target areas. Homebuyer assistance programs include programs for downpayment and closing costs, mortgage assistance programs, and tax credit programs.

Accomplishments in 2006 included:

- Received funding from the State BEGIN Program totaling \$3,645,850 for the Building Equity and Growth in Neighborhoods.

Please refer to Attachment E, Performance Measurement Systems Table for additional information.

Del Paso Nuevo Neighborhood Revitalization Strategy

In 2005, SHRA executed disposition and development agreements (DDA's) for Phases IV and V of Del Paso Nuevo. The Phase IV Tentative Map was approved for 81 single-family homes of which 41 will be sold to low-income buyers. The DDA is anticipated to close in the spring of 2007 and development is to commence soon after. Start of sales is anticipated in August 2007. The Phase V Tentative map was approved in February 2006, for 95 single-family homes of which 48 will be sold to low-income buyers. The DDA closed in the summer of 2006 and offsite improvements have commenced. Start of sales is anticipated in June of 2007.

SHRA approved the acquisition of up to 46 additional properties for the future development of Phases VI and VII including a relocation plan and replacement housing plan. In 2005, 16 properties were either acquired or placed under contract for purchase for these phases. Phases VI and VII were designed to provide an additional 59 single-family homes.

In March of 2005, SHRA and the City of Sacramento received approval for a Material Amendment to the development schedule for the Del Paso Nuevo Home Ownership Zone which extended the completion of the project to the 2nd Quarter of 2008.

Please refer to Attachment D – Del Paso Nuevo Homeownership Zone – Neighborhood Revitalization Strategy for additional information.

Specific Housing Objectives

1. Evaluate progress in meeting specific objective of providing affordable housing, including the number of extremely low-income, low-income, and moderate-income renter and owner households comparing actual accomplishments with proposed goals during the reporting period.

CDBG and HOME funded projects continue to strive to meet the goals set out in the Consolidated Plan. The affordable housing programs are hampered as of late in meeting its affordable housing goals for very low- and low-income households mainly due to the dramatic rise in property and housing costs in the area.

Single-Family Households Assisted in 2006 (Completed Projects Only)

Please refer to Attachment E - Performance Measurement System table for accomplishment data.

Income Range (Percent of Area Median Income)	Extremely Low 0 to 30%	Low 31 to 50%	Moderate 51 to 80%	Annual Proposed Goals in CP**	2006 Total Assisted
* Households	261	431	178	870	879
% of Total Assisted	29%	20%	52%		100%
**% of Total Need	43%	30%	27%		100%

Data from IDIS Report CO4PR023

*Includes HARPS, homebuyer programs, emergency repair program, rehabilitation, and retrofit grants (which may include renters)

**Computed from data supplied in 2003-2007 Consolidated Plan Table 4-2: Five-Year Housing Needs and Priorities

Multi-Family Units Assisted in 2006 (Completed Projects Only)

Please refer Attachment E - Performance Measurement System table for accomplishment data.

Income Range (Percent of Area Median Income)	Extremely Low 0 to 30%	Low 31 to 50%	Moderate 51 to 80%	Annual Proposed Goals in CP**	2006 Total Assisted
Number of Units*	40	18	45	63	103
% of Total Assisted	39%	17%	44%		100%
**% of Total Need	43%	30%	27%		100%

*Completed units: Franklin Villa/Phoenix Park, Coral Gables, Creekside Village, Silverado Creek, Northpointe Park, and the St. Anton Building.

**Computed from data supplied in 2003-2007 Consolidated Plan Table 4-2: Five-Year Housing Needs and Priorities

2. Describe efforts to address “worst-case” housing needs and housing needs of persons with disabilities.

Worst-Case Housing Needs

Worst-case housing needs are defined as low-income renter households who pay more than half their income for rent, live in seriously substandard housing (including homeless people) or have been involuntarily displaced. The City of Sacramento served the worst-case needs by working with the County of Sacramento, Housing Authority, public service agencies, the cities of Folsom, Isleton and Galt to maintain a “continuum of care” umbrella of services to assist residents in their time of need. For further information, please refer to the Continuum of Care report on file with SHRA’s CDBG Division for information on how the City addresses emergency housing and assistance services.

Housing Needs of Persons with Disabilities

All of the City of Sacramento’s funded housing developments comply with the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988.

The Housing Authority’s policies and practices are designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon request, so that they may fully access and utilize the housing program and related services. The availability of requesting an accommodation will be made known by including notices on Housing Authority forms and letters. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in the Housing Authority’s policies.

The Housing Authority utilizes organizations that provide assistance for disabled persons when needed. The Housing Authority fully complies with the obligations found in HUD Notice PIH 2002-01 [Accessibility Notice: Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988].

Please refer to Attachment E, Performance Measurement System Table for more information.

Public Housing Strategy

1. Describe actions taken during the last year to improve public housing and resident initiatives.

The Housing Authority encourages public housing residents to participate in policy, procedure and program implementation and development through its Resident Advisory Board (RAB). The RAB is an elected Board representing all of the residents of the Housing Authority. The RAB serves as an organized spokesman for the resident body to present resident concerns to the authority and to participate and provide feedback to the Housing Authority regarding the 5-Year Plan and the Annual Plan, policy revisions, and the development of resident programs on behalf of the residents.

The Housing Authority's Resident Services Division and Maintenance Department have four job training programs for residents: office/clerical, janitorial/custodial, and painting. The painting and office/clerical programs are two year training programs, and the janitorial/custodial is one year in duration. Each training program is designed to employ four full time resident trainees. In 2006, the resident training program graduated four janitor/custodial, three office/clerical, and two paint trainees. The Housing Authority provides job search, resume preparation, and skills enhancement assistance to all trainee program graduates.

Family Self-Sufficiency (FSS) is a HUD program that encourages communities to develop local strategies to help Housing Authority families obtain employment that will lead to economic independence and self-sufficiency. The Housing Authority works with welfare agencies, schools, businesses, and other local partners to develop a comprehensive program that gives participating FSS family members the skills and experience to enable them to obtain employment that pays a living wage. The Housing Authority's FSS Program currently has 98 City and County participants. In 2006, five participants graduated from the program and achieved full time employment. Seminars are offered including credit counseling, homeownership opportunities, and tax filing assistance.

In 2006, to help senior and disabled residents remain independent, the Housing Authority provided a shuttle to transport residents to grocery stores and special events. Other services include the Senior Nutrition Program (lunch service), a Health Fair, and the Senior Companion Program (senior volunteers visit SHRA residents on a weekly basis). All of these programs seek to enhance the quality of life of the public housing residents.

Barriers to Affordable Housing

1. Describe actions taken during the last year to eliminate barriers to affordable housing.

- Streamlined permitting for affordable housing developments.
- Implementing inclusionary housing ordinances. In the City, implementation of the program has resulted in a total of 1,552 affordable housing that have been constructed or are planned for construction. Of this total, 1,017 units are affordable to very-low income households and 535 units are affordable to low-income households.
- Implementing infill ordinances for workforce housing coupled with housing trust funds.
- Quality of life streetscape improvements and commercial rehabilitation on older commercial corridors which helps to preserve affordable housing in adjacent neighborhoods.
- Use of State of California Bond Funds, Proposition 46 and 63. Proposition 46, the Housing and Emergency Shelter Trust Act of 2002, is a \$2.1 billion dollar measure to help fund the construction, rehabilitation and preservation of affordable rental housing, emergency shelters and homeless facilities as well as funds that can be used to provide down payment assistance to low and

moderate income home buyers. Seniors, families with children, teachers, disabled persons, veterans and working people benefit from the bond funds. Organizations throughout the County of Sacramento received over \$10 million for Prop 46 including SHRA which received half of this or \$5.1 million for the Cal Home and Building Equity and Growth in Neighborhoods (BEGIN) programs. Almost \$2.2 million of this is Del Paso Nuevo in the City of Sacramento. Proposition 63, the Mental Health Services Act of 2004 is just beginning to make awards and SHRA staff worked 2006 to receive funds in 2007.

- Down payment assistance for first time homebuyers.
- Financing of quality non profits who build affordable housing including Community Housing Opportunities Corporation (CHOC), Mercy Housing and Sacramento Mutual Housing.
- Bus tour with Sacramento Housing Alliance of affordable housing projects to educate different segments of the community on the quality and service provided by modern up to date affordable housing developments.
- Incentives for transit oriented development which improves the housing supply for low and moderate income residents combining the benefits of housing and public transit.

HOME/American Dream Down Payment Initiative (ADDI)

1. Assessment of Relationship of HOME Funds to Goals and Objectives

- a. Evaluate progress made toward meeting goals for providing affordable housing using HOME funds, including the number and types of households served.**

HOME Program

SHRA utilizes HOME funds to create affordable housing projects in the City and County of Sacramento as well as the cities of Folsom, Isleton, Galt, Citrus Heights, Elk Grove and Rancho Cordova. Federal HOME funds are used by participating jurisdictions to provide permanent housing for low- and very low-income households in Sacramento County. This assistance meets the primary goal of developing, preserving and financing a continuum of affordable housing opportunities adopted in the 2003-2007 Consolidated Plan.

SHRA uses its HOME funds mainly in the construction and rehabilitation of very low- and low-income rental housing units. SHRA requires that the housing developments receiving HOME funds offer amenities such as community rooms, tot lots and after-school programs to their residents to improve their quality of life. Management plans are required to include approved managers and tenant screening processes.

ADDI Program

The ADDI program was implemented in the City of Sacramento in July 2004. The program was structured to provide homeowners with a deferred payment loan of three percent. The maximum assistance was calculated at six percent of the sales price up to \$10,000. The loan is forgiven if the buyer remains the owner-occupant for ten years. Buyers must be low-income first-time homebuyers; however, there are special definitions for displaced homemakers and single parents. In 2006, twenty-nine families have become homeowners with the assistance of the ADDI program. The ADDI has become an important tool in SHRA's Layering Policy by providing another \$10,000 in addition to the existing homeownership tools for homebuyer assistance.

The ADDI Program has been marketed on a regular basis with the following avenues: listed on the SHRA web site; fact sheets are sent to numerous callers, participating lenders are provided with updates, community events, Board of Realtor updates, the Black Expo and the annual Homeownership Fair.

SHRA also offers ADDI in conjunction with the 5(h) Homeownership Program whereby the Housing Authority is rehabilitating 72 vacant properties to be sold to low-income eligible homebuyers. First priority is given to public housing residents and Housing Choice Voucher participants who have been working toward homeownership in other programs such as the Family Self-Sufficiency Program or the Housing Choice Voucher Homeownership Program. The ADDI Program and SHRA's homeownership layering programs will be used in conjunction with some of these transactions. In 2006, one public housing City resident purchased a home under SHRA's 5(H) Program using the ADDI Program and fourteen public buyers purchased homes under SHRA's 5(h) Program using the ADDI Program.

To help prepare applicants for the responsibilities of undertaking and maintaining homeownership, all applicants must complete SHRA's approved homebuyer education classes. These classes cover the home buying process- property maintenance and credit and budgeting practices prior to purchasing the home.

For a complete list of HOME activities please refer to Attachment A – Resources Expended or Committed and Activities Completed or Committed for Affordable Housing.

2. HOME Match Report

- a. Use HOME Match Report HUD-40107-A to report on match contributions for the period covered by the Consolidated Plan program year.**

Please refer to Attachment B – HOME Match Report.

3. HOME MBE and WBE Report

- a. Use Part III of HUD Form 40107 to report contracts and subcontracts with Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs).**

The majority of HOME funds are distributed as loans, not direct contracts and therefore have no M/WBE requirements.

4. Assessments

a. Detail results of on-site inspections of rental housing.

Please refer to the Monitoring section of this report for further information.

b. Describe the HOME jurisdiction's affirmative marketing actions.

HOME projects are available to all program eligible residents. Recipients of HOME funding are made aware of the requirements of affirmative marketing per HUD guidelines.

c. Describe outreach to minority and women owned businesses.

The majority of HOME funds are distributed as loans, not direct contracts and therefore have no M/WBE requirements.

HOMELESS

Homeless Needs

1. Identify actions taken to address needs of homeless persons.

Through the Continuum of Care (CoC) effort to move individuals out of homelessness, homeless providers work together for one common goal, to assist all participants to greater self-sufficiency. Regular monthly meetings are held among homeless and other service providers to review and discuss how to better meet the needs of persons in need of homeless services.

The Sacramento County and Cities Board on Homelessness (SC&CBoH), the governing body for the CoC in 2006, met on a monthly basis to review the progress and needs of the CoC. One of the main goals of the CoC is to assist people to overcome barriers related to homelessness. Board Members of the SC&CBoH serve on various committees and sub-committees who include homeless service providers and staff members from Department of Human Assistance (DHA), Department of Health and Human Services (DHHS), SHRA, and others. These working groups identify specific needs in the jurisdiction such as, public safety, discharge planning, housing needs, substance abuse and mental health concerns.

In 2006, Sacramento City and County continued the process of developing, adopting and implementing the Ten-Year Plan to End Chronic Homelessness. The Sacramento City Council and Board of Supervisors voted unanimously to adopt the plan on September 26, 2006, and in 2007 will transition from the current SC&CBoH to the new leadership structure as outlined in the plan.

Under the SC&CBoH, the Housing Committee met monthly to discuss the development of a new program that will be designed to take advantage of the expected Supportive Housing Program application Samaritan Initiative grant. This program is expected to

add additional beds to the community to serve chronically homeless participants in a permanent supportive housing program.

Further information on the Ten Year Plan to End Chronic Homelessness is located under the Anti-Poverty Strategy section.

2. Identify actions to help homeless persons make the transition to permanent housing and independent living.

Please refer to the 2006 CoC McKinney Application on file with the SHRA CDBG staff.

3. Identify new Federal resources obtained from Homeless SuperNOFA.

Sacramento Self Help Housing, Inc's Friendship Housing Expansion will provide housing and services to 40 chronically homeless individuals utilizing a Housing First approach through scattered site leasing. Individuals will be screened through a central intake process and placed directly from the streets or emergency shelter into permanent housing. This program requested \$627,477 for a two year project.

Transitional Living and Community Services's (TLCS) PACT Permanent Housing will provide a permanent housing rental subsidy to seven chronically homeless individuals with psychiatric disabilities. In addition, participants will receive intensive case management services from TLCS. This program requested \$144,769 from the City and County for a two-year project.

As of January 2007, Housing and Urban Development (HUD) has not yet contacted CoC regarding the Homeless SuperNOFA submitted in May of 2006 for the outcome of their 2006 applications. Although the CoC expects that both projects will be approved, it is unknown at this time if these projects will receive funding from HUD.

Please refer to the 2006 CoC McKinney Application on file with the SHRA CDBG staff.

Specific Homeless Prevention Elements

1. Identify actions taken to prevent homelessness.

Please refer to the 2006 CoC McKinney Application on file with the SHRA CDBG staff.

Emergency Shelter Grants (ESG)

1. Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets).

2006 ESG funds were used to provide beds and operational support to one shelter: St. John's Shelter for Women and children. This is a 100-bed emergency shelter. The Winter Shelter Program that provides overflow emergency shelter during the winter months from November to March is now funded by other sources.

Refer to Exhibit E, the Performance Measurement Table for ESG information on total unduplicated numbers served and dollars spent in 2006.

2. Assessment of Relationship of ESG Funds to Goals and Objectives

- a. Evaluate progress made in using ESG funds to address homeless and homeless prevention needs, goals, and specific objectives established in the Consolidated Plan.

The Consolidated Plan provided the framework for the use of ESG funds for homeless facilities and services in the City and County of Sacramento. All 2006 ESG funds were allocated to provide partial funding to the St. John's Shelter for Women and Children. This Shelter opened in 2004 and provides 100 beds for women and children in addition to comprehensive case management. The case management component provides each adult with housing assistance, life skill enhancement services, and employment resources.

- b. Detail how ESG projects are related to implementation of comprehensive homeless planning strategy, including the number and types of individuals and persons in households served with ESG funds.

ESG funds support the funding of the St. John's Shelter for Women and Children. This shelter is one avenue to implement the comprehensive homeless planning strategy of the CoC. St. John's Shelter for Women and Children served 238 families in 2006, and 48% had either transitional or permanent housing prior to leaving the shelter. Additional emergency shelters in the community, including the Winter Shelter Program, are funded from other sources.

3. Matching Resources

- a. Provide specific sources and amounts of new funding used to meet match as required by 42 USC 11375(a)(1), including cash resources, grants, and staff salaries, as well as in-kind contributions such as the value of a building or lease, donated materials, or volunteer time.

County General Fund	\$179,383
TANF	\$195,327
CalWORKS	\$227,109
Emergency Food and Shelter Board	\$37,486
Churches	\$39,853
Private Party Donations	\$100,935
Business & Service Clubs	\$56,527
Trusts and Foundations	\$14,119
California Endowment	\$12,345
CSBG	\$27,416
Fundraisers	\$27,665
Ann Land & Bertha Henschel Commission Grant	\$5,500
Emergency Housing & Assistance Program	\$12,905
Sub-Total	\$936,570
County ESG	\$290,541
City ESG	<u>\$254,076</u>
	544,617
Total	<u>\$1,481,187</u>

4. State Method of Distribution

- a. States must describe their method of distribution and how it rated and selected its local government agencies and private nonprofit organizations acting as subrecipients.**

Not applicable.

5. Activity and Beneficiary Data

- a. Completion of attached Emergency Shelter Grant Program Performance Chart or other reports showing ESGP expenditures by type of activity. Also describe any problems in collecting, reporting, and evaluating the reliability of this information.**

Please refer Attachment E - Performance Measurement System table for accomplishment data.

- b. Homeless Discharge Coordination**

- i. As part of the government developing and implementing a homeless discharge coordination policy, ESG homeless prevention funds may be used to assist very-low income individuals and families at risk of becoming homeless after being released from publicly funded institutions such as health care facilities, foster care or other youth facilities, or corrections institutions or programs.**

Not applicable.

- c. Explain how your government is instituting a homeless discharge coordination policy, and how ESG homeless prevention funds are being used in this effort.**

No ESG funds are used as part of the discharge process.

COMMUNITY DEVELOPMENT

Community Development

1. Assessment of Relationship of CDBG Funds to Goals and Objectives

- a. Assess use of CDBG funds in relation to the priorities, needs, goals, and specific objectives in the Consolidated Plan, particularly the highest priority activities.**

Attachment E - Performance Measurements System table addresses the priorities of Community Development as established by the 2003-2007 Consolidated Plan and qualifies the results based on these priorities.

- b. Evaluate progress made toward meeting goals for providing affordable housing using CDBG funds, including the number and types of households served.**

Please refer to the Self Evaluation and Specific Housing Objectives responses found in the General Questions and Housing sections. This reflects our progress towards meeting affordable housing goals.

- c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income, and moderate-income persons.**

All CDBG funds were used to benefit very-low, low- and moderate-income persons or to aid in the elimination of slum and blight. The City of Sacramento spent 91.39 percent of its CDBG funds to benefit low- and moderate-income individuals (minimum 70 percent is required). The remaining 8.61 percent were either not spent or used for administration of the CDBG program. No projects were initiated/completed under the urgent need national objective.

2. Changes in Program Objectives

- a. Identify the nature of and the reasons for any changes in program objectives and how the jurisdiction would change its program as a result of its experiences.**

The City of Sacramento has not changed the objectives of its CDBG program and continues to use CDBG funds for infrastructure and public facility improvements, housing development and homeownership, public services, commercial revitalization, and planning and administration activities. There is always an ongoing need for CDBG funds to fulfill objectives in all the above categories hence no changes are recommended based on Sacramento's experiences.

3. Assessment of Efforts in Carrying Out Planned Actions

- a. Indicate how grantee pursued all resources indicated in the Consolidated Plan.**

The City of Sacramento pursued all potential resources as indicated in the Consolidated Plan by working with developers, non-profits and other governmental agencies to leverage a variety of funds for the construction and rehabilitation of affordable housing projects and programs, opportunities for low- and moderate-income people to become homeowners, assistance to homeless persons, public service programs, job training and education, community development activities directed toward revitalizing neighborhoods and economic development. Please refer to the Leveraging Resources section and Attachment E- Performance Measurements System table of this report for further information.

- b. Indicate how grantee provided certifications of consistency in a fair and impartial manner.**

The City of Sacramento certifies that it is administering the CDBG program in compliance with its Consolidated Plan and rules, regulations, and certifications required by HUD of its grantees.

c. Indicate how grantee did not hinder Consolidated Plan implementation by action or willful inaction.

No actions were taken to limit the implementation of the Consolidated Plan.

4. For Funds Not Used for National Objectives

a. Indicate how use of CDBG funds did not meet national objectives.

All CDBG funded activities met CDBG national objectives of providing benefits to low- and moderate-income persons or households.

b. Indicate how did not comply with overall benefit certification.

CDBG funded activities met all requirements with regard to providing overall benefit to low- and moderate income persons.

5. Anti-displacement and Relocation – for activities that involve acquisition, rehabilitation or demolition of occupied real property

Del Paso Nuevo is a multi-year development project located in the Del Paso Heights Redevelopment Project Area of Sacramento. It was designated as a Homeownership Zone by HUD in 1996, and CDBG and Section 108 loan funds are two of the numerous funding sources for this program. The project therefore is subject to HUD regulations governing relocation and minimization of resident displacement. To date, 77 homes have been constructed, 51 percent of which have been sold to low-income households. Construction of new homes in Phases IV and V will began in the spring of 2006. Land acquisitions with resultant relocation for Phases VI and VII commenced in 2005 and were completed in 2006. Three households were displaced in 2006.

a. Describe steps actually taken to minimize the amount of displacement resulting from the CDBG-assisted activities.

In planning for Del Paso Nuevo Phases VI and VII, SHRA staff spent considerable time mapping the boundaries for the proposed land acquisitions that would meet SHRA's commitment to build a total of 300 ownership homes for the Homeownership Zone. The mapping included the proposed location of roadways and infrastructure improvements needed to produce the maximum number of housing pursuant to local building codes. Parcels targeted for acquisition were identified as vacant land or occupied by owners or tenants who would be eligible for relocation assistance. This process allowed staff to consider the impact displacement would have on the area and to take steps to further refine the mapping to avoid displacement to the extent possible, while still retaining the integrity of the development goals.

After several iterations of the potential mapping for acquisitions and road layouts, and their impact on displacement, staff selected a mapping layout that led to the least amount of residential displacement reducing it from over 17 to 12. These included four owner-occupants and eight tenants. The mitigation measures have resulted from realignment of the roads so that many acquisitions are partial.

b. Describe steps taken to identify households, businesses, farms or nonprofit organizations who occupied properties subject to the Uniform Relocation Act or Section 104(d) of the Housing and Community Development Act of 1974, as amended, and whether or not they were displaced, and the nature of their needs and preferences.

Early in the planning process for the Del Paso Nuevo project, SHRA retained the services of a relocation company to prepare a relocation plan. The Relocation Plan followed the requirements of the State of California Relocation Guidelines and those contained in HUD Handbook 1378. In order to prepare the relocation plan, potentially impacted households who were willing to be interviewed were surveyed. Information collected included household size and composition, ages of occupants, mortgage terms and conditions, rental and income information, length and type of occupancy, ethnicity, language first spoken in the home, disabilities/health problems, and preferences related to replacement housing and location.

The Relocation Plan for VI and VII was approved by the Sacramento City Council on March 17, 2005 and four owner-occupants were relocated that year. Five rental tenants were also relocated in 2005.

Three rental tenants were relocated in 2006. In as much as all the acquired housing units will be demolished for the project, two of the three households who were very low-income received rental assistance payments pursuant to Section 104(d) requirements. The third rental household was not low income and was eligible for 42 months of rental assistance. The family elected to purchase a home and the entire amount of their rental assistance was used as a down payment and deposited with a local title company to close escrow. All households that were displaced received all assistance and benefits to which they were eligible under the law. The relocation company worked personally with all households in addressing their needs and facilitating their moves.

Pursuant to CDBG and Section 104(d) requirements, all occupied and vacant occupiable housing that is demolished or converted must be replaced. A one-for-one replacement housing plan was prepared and adopted by the Sacramento City Council on March 17, 2005. Required notices and the plan were published and a copy of the plan and proof of publication were forwarded to the HUD office in San Francisco. The plan called for the replacement of 29 bedrooms within a three-year period after commencement of demolition. In fact, it is anticipated that 31 bedrooms will be replaced during this three-year period.

c. Describe steps taken to ensure the timely issuance of information notices to displaced households, businesses, farms, or nonprofit organizations.

Where feasible, General Information Notices were hand delivered to all prospective displacees. These were delivered during the survey period for the Relocation Plan. Where personal delivery was not possible, the notices were mailed by Certified Mail, Return Receipt Requested. Notices of Eligibility for Replacement Housing Assistance and other relocation benefits were personally presented to owner-occupants at the same meeting as the purchase offer was made. This is SHRA's preferred method of delivery as it informs the homeowner of the acquisition and relocation process and eligible benefits. Notices of Eligibility for Rental Assistance and other relocation benefits were presented in a meeting with the tenants of the affected properties immediately after the purchase offer was made to the property owner. All

acquisition and relocation activities are coordinated between SHRA acquisition and relocation staff and contracted relocation consultants.

6. Low/Mod Job Activities – for economic development activities undertaken where jobs were made available but not taken by low- or moderate-income persons.

a. Describe actions taken by grantee and businesses to ensure first consideration was or will be given to low/mod persons.

There were no loans made in 2006. When loans are made by the Grow Sacramento Fund, a Job Creation Participation Agreement is signed by the borrower. This agreement details the CDBG requirements for job creation for low- and moderate-income residents. Information about Sacramento Works One-Stop Career Centers is also provided to businesses to assist in the outreach for job applicants who would meet the criteria.

b. List by job title of all the permanent jobs created/retained and those that were made available to low/mod persons.

Not applicable.

c. If any of jobs claimed as being available to low/mod persons require special skill, work experience, or education, provide a description of steps being taken or that will be taken to provide such skills, experience, or education.

Not applicable.

7. Low/Mod Limited Clientele Activities – for activities not falling within one of the categories of presumed limited clientele low and moderate income benefit.

a. Describe how the nature, location, or other information demonstrates the activities benefit a limited clientele at least 51% of whom are low- and moderate-income.

SHRA's CDBG administrative staff confirms with the subrecipient that income screening is done in accordance with HUD regulations before agreements are executed. In addition, during monitoring visits, CDBG administrative staff reviews income screening documentation to confirm eligibility.

8. Program income received

a. Detail the amount of program income reported that was returned to each individual revolving fund, e.g., housing rehabilitation, economic development, or other type of revolving fund.

Please refer to the Financial Summary report IDIS (C04PR26).

b. Detail the amount repaid on each float-funded activity.

No float-funded activities were conducted in 2006.

- c. Detail all other loan repayments broken down by the categories of housing rehabilitation, economic development, or other.**

Please refer to the Financial Summary Report IDIS (C04PR26) attached at the end of this report.

- d. Detail the amount of income received from the sale of property by parcel.**

Please refer to the Financial Summary Report IDIS (C04PR26) attached at the end of this report.

- 9. Prior period adjustments – where reimbursement was made this reporting period for expenditures (made in previous reporting periods) that have been disallowed, provide the following information:**

- a. The activity name and number as shown in IDIS.**

Not applicable.

- b. The program year(s) in which the expenditure(s) for the disallowed activity(ies) was reported.**

No disallowed activities were funded.

- c. The amount returned to line-of-credit or program account.**

Not applicable.

- d. Total amount to be reimbursed and the time period over which the reimbursement is to be made, if the reimbursement is made with multi-year payments.**

Not applicable.

10. Loans and other receivables

- a. List the principal balance for each float-funded activity outstanding as of the end of the reporting period and the date(s) by which the funds are expected to be received.**

No float-funded activities were completed in 2006.

- b. List the total number of other loans outstanding and the principal balance owed as of the end of the reporting period.**

Please refer to the attached AmeriNational report at the end of this report, Attachment F.

- c. **List separately the total number of outstanding loans that are deferred or forgivable, the principal balance owed as of the end of the reporting period, and the terms of the deferral or forgiveness.**

Please refer to the attached AmeriNational report at the end of this report, Attachment F.

- d. **Detail the total number and amount of loans made with CDBG funds that have gone into default and for which the balance was forgiven or written off during the reporting period.**

Please refer to the attached AmeriNational report at the end of this report, Attachment F.

- e. **Provide a List of the parcels of property owned by the grantee or its subrecipients that have been acquired or improved using CDBG funds and that are available for sale as of the end of the reporting period.**

No land was purchased with City CDBG in 2006 and no land purchased with City CDBG was listed for sale or sold 2006.

11.Lump sum agreements

- a. **Provide the name of the financial institution.**

Not applicable.

- b. **Provide the date the funds were deposited.**

Not applicable.

- c. **Provide the date the use of funds commenced.**

Not applicable.

- d. **Provide the percentage of funds disbursed within 180 days of deposit in the institution.**

Not applicable.

12.Housing Rehabilitation – for each type of rehabilitation program for which projects/units were reported as completed during the program year.

- a. **Identify the type of program and number of projects/units completed for each program.**

Please refer to the attached Performance Measurements System table (Attachment E) for information on 2006.

- b. **Provide the total CDBG funds involved in the program.**

Please refer to the attached Performance Measurements System table (Attachment E) for information on 2006.

c. Detail other public and private funds involved in the project.

Please refer to Attachment A – Resources Expended or Committed and Activities Completed or Committed for Affordable Housing for funding.

13. Neighborhood Revitalization Strategies – for grantees that have HUD-approved neighborhood revitalization strategies.

- a. Describe progress against benchmarks for the program year. For grantees with Federally-designated EZs or ECs that received HUD approval for a neighborhood revitalization strategy, reports that are required as part of the EZ/EC process shall suffice for purposes of reporting progress.**

Please refer to Attachment D – Del Paso Nuevo Homeownership zone for details.

Antipoverty Strategy

1. Describe actions taken during the last year to reduce the number of persons living below the poverty level.

The City and County of Sacramento's anti-poverty strategy is based on attracting a range of businesses and providing workforce development including job-training services for low-income residents. In addition, the strategy is to provide supportive services for target income residents, such as childcare services.

Ten-Year Plan to End Chronic Homelessness Update

The Ten-Year Plan to End Chronic Homelessness presents the strategic and implementation framework to resolve the problem of disabled individuals experiencing homelessness for a year or more or with multiple episodes within a short period of time. The planning effort was led by Mayor Heather Fargo and County Supervisor Roger Dickinson and drew upon the leadership and expertise of community and business leaders; local departments and agencies; local and national agencies working with families and individuals who are homeless, as well as homeless and formerly homeless individuals. On December 6, 2005, both the City Council and Board of Supervisors were presented a conceptual plan and the overall response was positive.

In September 2006, the City Council and Board of Supervisors approved an implementation detail. It has five key components including:

- Central Intake and Outreach
- Housing First provided through leased housing and through development of permanent supportive housing
- Prevention
- Leadership
- Evaluation/Reporting

For each key component, the Plan develops program elements; designates lead entities; identifies anticipated resources, including new ways to align existing resources; identifies funding gaps and outlines potential challenges to implementation.

Sacramento County Department of Health and Human Services (DHA)

Welfare-to-Work

DHA continues to develop and coordinate welfare-to-work programs for families and individuals that promote employment and job retention. DHA uses a bifurcated approach in overcoming the barriers to employment, including coordinating community efforts to improve transportation, develop jobs, vocational training and affordable child care while working with each individual participant to assess needs and develop an individualized employment plan to remove barriers to employment. Additionally, DHA has expanded efforts for an innovative partnership with One-Stop Career Centers to create employment connections and increase the income of their participants (which serve employers and job seekers alike).

Homeless Programs

DHA is the lead agency for programs serving the homeless and others in poverty.

DHA offers a variety of homeless programs that mitigate homelessness in the City and County of Sacramento by providing emergency and temporary shelter, transitional and permanent housing, and supportive social services to homeless persons and families.

The Homeless Employment Services Program provides employment counseling, skills assessment, job placement, and on-the-job training through agreements with the local business community and non-profit agencies. These services are provided to develop individual economic self-sufficiency and training opportunities to employable residents of homeless shelters, transitional housing programs, and public housing complexes.

Department of Health and Human Services (DHHS)

DHHS is the lead agency for health and human services in the City and County of Sacramento.

DHHS offers a variety of programs one of which is the YouthWORKS program. YouthWORKS which is a dynamic after-school program for teens which fosters the development of academic and other skills necessary for future employment and success. YouthWORKS believes that young people are valuable community resources critical to the future of Sacramento. YouthWORKS offers homework and tutoring support, life skills education, and recreational opportunities in safe, structured environments.

For those interested in the leadership and management skills, DHHS offers a separate program to augment YouthWORKS program. The Leadership Development Camp (LDC) is comprised of teens interested in gaining the knowledge and skills needed to be effective leaders such as cultural diversity, communication, project planning, values development, conflict resolution, stress management, and goal setting. The skills and experience acquired can carry over to many different careers. At LDC, leadership is built through:

- **Interactive Learning Sessions**- individual and group activities conducted by camp staff and leadership youth.
- **Recreational Activities** - swimming, volleyball, hiking, basketball, campfires, and other popular activities.

- **Entertainment and Fun** - a variety of special events including a banquet, talent show, newspaper, video, and dance. Adult camp staff work hand-in-hand with youth Staff-In-Training (SIT's). SIT's are youth who have previously attended LDC and are returning in a leadership role. SIT's attend monthly planning meetings throughout the year, participate in pre-camp training, and plan and conduct camp learning sessions. SIT's learning skills include organizing people and materials, obtaining people and materials, and scheduling activities. During camp, they are each assigned cabins, where they serve as role models.

California Work Opportunity and Responsibility to Kids (CalWORKs)

CalWORKs is a welfare program that gives cash aid and services to eligible needy California families. If a family has little or no cash and needs housing, food, utilities, clothing or medical care, they may be eligible to receive immediate short-term help. Families that apply and qualify for ongoing assistance receive money each month to help pay for housing, food and other necessary expenses.

The amount of a family's monthly assistance payment depends on a number of factors, including the number of people who are eligible and the special needs of any of those family members. The income of the family is considered in calculating the amount of cash aid the family receives.

Sacramento Employment and Training Agency

The Sacramento Employment and Training Agency (SETA) continues to work to alleviate poverty through fostering linkages to employment. SETA has been the lead agency dealing with administering the federal employment and training funds. SETA is also the lead entity administering the Workforce Investment Act funds (WIA) which replaced the federal Job Training Partnership Act program. WIA creates a system for provision of employment services through a centralized One-Stop approach; in Sacramento the One-Stops are called Sacramento Works Career Centers (SWCC). Eleven of these Centers are located throughout the Sacramento area and are within or in proximity to low-income census tracts with an additional satellite location provided at the Greater Sacramento Urban League which opened in 2006. While the WIA provides for universal service to all persons, it is logical to assume those low-income and unemployed individuals living in close proximity to the SWCC would best benefit from the host of services provided by the various employment and training partners at the SWCCs. The mandatory Strategic Five-Year Workplan, available from SETA, describes how this system will meet the needs of low-income individuals, public assistance recipients and people with limited English speaking ability.

Non-Homeless Special Needs

Identify actions taken to address special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families).

The 2003-2007 Consolidated Plan funding sources are dedicated to housing (and related services) for low- and moderate-income persons. CDBG funds used for housing were used

primarily for single-family rehabilitation and homebuyer programs, and HOME funds were primarily used for increasing and improving multi-family housing stock. CDBG and HOME funds also provided funding to maintain affordable housing for certain segments of the population that have difficulty finding decent, affordable housing due to their special needs.

These special needs populations include but are not limited to the elderly and persons with disabilities. DHA has developed partnerships between state and local governments and community-based non-profits credited for innovative strategies, such as expanding traditional mental health services to include housing for individuals with HIV/AIDS. One particular partnership resulted in the development of Saint Martin de Porres Housing Program which will be operated by AIDS Housing Alliance for individuals with HIV/AIDS and their families. About half of the clients are expected to have mental health issues. The programs will acquire of 40 units of 60 unit permanent supportive housing project to begin construction in 2007.

Specific HOPWA Objectives

The HOPWA Program was established by HUD to address the specific needs of persons living with HIV/AIDS and their families. HOPWA makes grants to local communities, states, and non-profit organizations for projects that benefit low-income persons medically diagnosed with HIV/AIDS and their families.

HOPWA funding provides housing assistance and related supportive services as part of HUD's Consolidated Planning initiative that works in partnership with communities and neighborhoods in managing federal funds appropriated to HIV/AIDS programs. HOPWA grantees are encouraged to develop community-wide strategies and form partnerships with area non-profit organizations. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds may also be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.

DHA oversees HOPWA funds for the City and County of Sacramento. One of DHA's partners, the Center for AIDS Research, Education, and Services (CARES), works to address the supportive service needs of low-income people or those in danger of becoming homeless persons because they live with AIDS or have AIDS-related diseases.

A sample of services provided is listed below:

- a. Health, mental health and chemical dependency assessment
- b. Permanent housing placement
- c. Drug and alcohol abuse treatment and counseling
- d. Day care
- e. Personal assistance
- f. Nutritional services
- g. Intensive Care
- h. Assistance in gaining access to local, state and federal government mainsteam benefits and services.
- i. Intensive case management
- j. Transportation

1. Overall Assessment of Relationship of HOPWA Funds to Goals and Objectives

Grantees should demonstrate through the CAPER and related IDIS reports the progress they are making at accomplishing identified goals and objectives with HOPWA funding. Grantees should demonstrate:

- a. **That progress is being made toward meeting the HOPWA goal for providing affordable housing using HOPWA funds and other resources for persons with HIV/AIDS and their families through a comprehensive community plan;**

The HOPWA Community participates in the community wide strategy which includes the Sacramento County and Cities Board on Homelessness's Five-Year Plan to construct permanent housing units for 1600 individuals in five years. In addition, Sacramento is also committed to following HUD's mandate to create permanent supportive housing by successfully applying and being awarded funding for new permanent supportive housing each year for the past seven years.

During 2006, with over \$800,000 of HOPWA funds and with over \$600,000 in leveraged funds, housing and services were provided to the HIV population in Sacramento. Through community efforts, housing needs were provided to over 400 unduplicated individuals with HIV/AIDS. This brought the total for the past five years to over 1600 individuals served, exceeding the Five-Year Plan goals. Over 2,000 supportive services were provided to the 400 persons served in 2006. At the beginning of this year, only 45% of the 400 persons served were in permanent supportive housing and at the end of 2006 63% of the 400 persons served were in permanent supportive housing. Over the past five years, the community through HOPWA funds has created 49 units of permanent supportive housing that is specific to the needs of persons with HIV/AIDS.

- b. **That community-wide HIV/AIDS housing strategies are meeting HUD's national goal of increasing the availability of decent, safe, and affordable housing for low-income persons living with HIV/AIDS;**

Local housing strategies were primarily focused on providing permanent supportive housing for low- and extremely low-income individuals. Recognizing this need, the City and County of Sacramento has made housing acquisition for this special needs population a priority for HOPWA funding for the past 11 years. This focus will shift in 2007 to housing operations, and supportive services for persons with HIV/AIDS. In the recent 10 year plan (2007 to 2016) this shift is detailed to include a focus on exploring the possibilities of providing tenant based housing assistance to increase the availability of affordable housing to persons with HIV/AIDS in our community.

- c. **That community partnerships between State and local governments and community-based non-profits are creating models and innovative strategies to serve the housing and related supportive service needs of persons living with HIV/AIDS and their families;**

Partnerships between state and local governments and community-based non-profits credited innovative strategies that include Volunteers for America and AIDS Housing Alliance. Volunteers of America (VOA) provide emergency housing for persons with

HIV and AIDS, who have substance abuse problems. AIDS Housing Alliance works with VOA to place these program clients in decent and affordable housing when exiting the Open Arms emergency housing project.

In addition, the experience of service providers in the state funded AB 2034 Project Hope program, a partnership of law enforcement with social workers in providing services to the hard to reach homeless mentally ill, showed the growing incidences of co-existing conditions requiring continuing partnerships in service provisions. Hence, this partnership provided much needed housing and accompanying services to holistically serve the needs of Sacramento HIV/AIDS patients.-

d. That through community-wide strategies Federal, State, local, and other resources are matched with HOPWA funding to create comprehensive housing strategies;

Many of the HOPWA organization in this jurisdiction receive Ryan White Funding to enhance or augment services provided. CARES, Yolo and El Dorado counties, Stevens Place and Hidden Cove receive Ryan White Case Management and Ryan White Emergency Assistance. Ryan White funding provides a total of more than \$466,000. State Residential AIDS Living Facilities (RALF) help support Avalon as well as medical services from USDMC and CARES.

St. Martin de Porres received a commitment of Federal and State tax credits totaling more than \$11,000,000 for acquisition and program operations. Other funding includes HOME funds through SHRA, Federal AHP funds through the Federal Home Loan Bank, mental health funds, McKinney-Vento, donations from Kaiser Permanente and private donations.

e. That community strategies produce and support actual units of housing for persons living with HIV/AIDS; and finally,

In the Sacramento jurisdiction, HOPWA funding is being used to produce 40 units for the St. Martin de Porres Program, which is currently in the acquisition phase of development. Also, HOPWA funding supports a 12-bed emergency housing program, Open Arms, for homeless persons living with HIV/AIDS. Open Arms provides housing for up to 48 persons with HIV/AIDS over the course of a year.

f. That community strategies identify and supply related supportive services in conjunction with housing to ensure the needs of persons living with HIV/AIDS and their families are met.

In 2006, a three-year contract for HOPWA Case Management services to assist individuals with HIV/AIDS and their families was awarded to the Mexican American Alcoholism Program (MAAP). This project was created as a strategy to supply needed supportive services to persons with HIV/AIDS in conjunction with Shelter Plus Care. The project provides the required case management to utilize Shelter Plus Care housing subsidies and produce decent and affordable housing units for persons with HIV/AIDS who were homeless and disabled.

2. Grantee Narrative

The Sacramento County and Cities Board on Homelessness (SC&CBoH) is the lead entity for the community wide Continuum of Care (CoC). This board is responsible for planning

projects and decision making regarding homeless services needed in the Sacramento jurisdiction and reports to the Sacramento City Council and the Sacramento Board of Supervisors. Members of the SC&CBoH board and committees represent a wide variety of public and private sector participation with diverse representation. The area of service includes the County of Sacramento, and the Cities of Citrus Heights, Elk Grove, Rancho Cordova, and Sacramento.

Additionally, the Sacramento HOPWA Advisory Committee is the lead entity for the Sacramento regional jurisdiction for agencies providing supportive housing or preventing homelessness for persons with HIV/AIDS. The HOPWA Advisory Committee is comprised of diverse groups of providers including facility based programs, homeless programs, emergency housing, mental health providers, supportive services programs, medical provider and a faith-based program for person with HIV/AIDS. The Sacramento Region includes Sacramento, Yolo, Placer and El Dorado counties.

For project sponsor and service information, please refer to Exhibit One in the 2006 Continuum of Care on file with the SHRA CDBG office.

a. How grant management oversight of project sponsor activities is conducted and how project sponsors are selected.

The Department of Human Assistance (DHA) Program Planner provides oversight to the HOPWA program providers by monitoring the program contracts. The oversight of the programs includes setting the standard for the quality and quantity of service to be delivered, reviewing monthly and annual report of providers and conducting site visits for compliance. In 2006, site visits were conducted for two contracts, CARES and Open Arms, including both financial and program reviews. DHA is continuing to monitor contracts and, as appropriate, conduct follow up visits to ensure contract compliance.

When HOPWA dollars become available for new projects, sponsors are selected using the following procedure.

- 1) Announcing a Request for Proposal in the local newspapers and other mass media to the community, including making announcements to community-based and grassroots faith-based organizations.
- 2) Selecting programs that fit within the identified need and demonstrate the capacity and history of serving persons with HIV/AIDS.
- 3) Including representative of grassroots faith-based and other community-based organizations, which have knowledge of issues concerning HIV/AIDS, as independent ranking panel members, making selections of sponsors.

b. A description of the local jurisdiction, its need, and the estimated number of persons living with HIV/AIDS. The local jurisdiction is largely urban surrounded by suburban and rural counties.

The Sacramento HOPWA Eligible Metropolitan Statistical Area (EMSA) includes Sacramento, Yolo, Placer and El Dorado County serving an estimate of approximately 4,260 persons living with HIV/AIDS in the region, and an additional 1,100 who have not been tested but who may be HIV/AIDS positive.

c. A brief description of the planning and public consultations involved in the use of HOPWA funds including reference to any appropriate planning document or advisory body.

DHA meets with the HOPWA Advisory Committee comprised of faith-based leaders, community residence, facility based programs, case managers and medical providers for persons with HIV/AIDS. The committee is also part of the Sacramento Eligible Metropolitan Statistical Area (EMSA). The EMSA includes the areas of Sacramento, Yolo, Placer and El Dorado Counties. DHA consulted with the advisory committee on the emerging issues that affect their ability to serve program participants with HIV/AIDS and identified barriers and how a removal of those barriers would enhance affordable and decent housing for person with HIV/AIDS. Recommendations from the committee were also used as a part of the Five Year Consolidated Plan

The HOPWA Advisory Committee is comprised of members of the HIV Health Services Council, who are part of the Eligible Metropolitan Area EMA. The EMA advised the California State Office of AIDS on the needs for this jurisdiction. Information from the EMA is compiled into statewide needs, challenges and solution document. The document is compiled by the California State office of AIDS, who disseminates information in a report referred to as the AIDS Drug Assistance Program Annual Report and through a web site referred to as HIV/AIDS Case Registry, Ultimately, the HIV Health Services Planning Council and HOPWA Advisory committee provide consultation and guidance to grantees on how to use limited funding for people with HIV/AIDS.

d. What other resources were used in conjunction with HOPWA funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteers or by other individuals or organizations.

In addition to HOPWA funds, the following resources support the HIV/AIDS population:

- o McKinney, Supportive Housing Program including Shelter + Care
- o Ryan White Foundation funds
- o Section 8 Housing funds
- o Federal and State Mental Health funds
- o CalWORKS/TANF
- o Proposition 10-Youth Substance Abuse funds.

In kind resources including volunteers valued in excess of \$1.5 million.

e. Collaborative efforts with related programs including coordination and planning with clients, advocates, Ryan White CARE Act planning bodies, AIDS Drug Assistance Programs, homeless assistance programs, or other efforts that assist persons living with HIV/AIDS and their families.

The Sacramento County and Cities Board on Homelessness (SC&CBoH) coordinates its planning efforts through its membership and relationship with other homeless planning groups. Chairs of the committees under the SC&CBoH must be members of the SC&CBoH. Members of the SC&CBoH committees represent a wide variety of

public and private sector participation with diverse representation. Overlapping and duplication of efforts is avoided because most of the SC&CBoH members and committee members participate on various other committees in the community, providing the necessary linkages, coordination, information, and representation in the planning effort of the community. Other committees supporting homeless planning include: Supportive Services Committee, Mental Health Collaborative, Sacramento Housing Alliance, SRO Collaborative, the Navigator Program in downtown Sacramento, Ryan White Planning Council, HOPWA advisory provider group, and neighborhood groups.

The providers who are members of the HOPWA Advisory Committee and the Ryan White HIV Health Services Planning Council work collaboratively on issues involving health, housing and well being of persons with HIV/AIDS. Many of the HOPWA Advisory members work on the committees for the HIV Health Planning Council, whose task is to direct funding to service providers and determines the standard of care that program providers comply with. Some Committees within the HIV Health Council included Affective Communities Committee (ACC) and Priorities and Allocation Committee (PAC) to name a few. Members of PAC are represented by consumers/clients, providers and government. The ACC serve to bring the ideas of consumers/clients or anyone affect to be present ideas. Programs such as AIDS Housing Alliance, Breaking Barriers, CARES and the Placer County Health Department are a few of the providers who collaborate on the HIV Health Council and the HOPWA Advisory Committee. The collaborative efforts of these groups help the community to focus on the priorities and allocation of funding to prevent homelessness.

1. Project Accomplishment Overview

- a. A brief summary of all housing activities broken down by three types: emergency or short-term rent, mortgage or utility payments to prevent homelessness; rental assistance; facility based housing, including development cost, operating cost for those facilities and community residences.**

In addition to providing emergency or short-term rent, mortgage or utility payments to prevent homelessness in the City and County of Sacramento, DHA administers this program in the counties of Placer, El Dorado and Yolo.

Short-term Rent, Mortgage, Utility Payments

In Sacramento County, the Center for AIDS Research, Education and Services (CARES) provides short-term rent, mortgage, and utility payments. In 2006, CARES served over 200 persons with HIV/AIDS. The average expenditure per eligible participant was \$417. CARES provides direct services to their HIV/AIDS clients but networks with other community providers to assure all supportive services available are utilized.

Placer and El Dorado Counties provided short-term rent mortgage and utility housing assistance to 48 unduplicated eligible participants and their families. The average expenditure per eligible participant, per program, was \$678 per month for rent, mortgage, and utility payments to prevent homelessness. Both programs were operated by the Sierra Foothills AIDS Foundation.

Yolo County provided short-term emergency housing assistance to 34 unduplicated eligible participants and their families. The average expenditure per eligible participant was \$395 per month for rent, mortgage, and utility payments to prevent homelessness. United Way of Butte and Glenn Counties subcontracts with Communicare Health Clinics who operates the program.

Rental Assistance/Tenant Based Rental Assistance

Currently, DHA does not provide rental assistance/tenant-based rental assistance to persons with HIV/AIDS and their families. This service has been determined to be something to be considered in the next few years. Based on advice from the HOPWA Advisory Committee, DHA intends to create Tenant Based Rental Assistance within the Sacramento Region. The program is to be considered in year 2009, with a possible cost of \$150,000 for that initial year.

Facility-based Housing

The **Open Arms Project** sponsored by Volunteers of America (VOA) provided clients emergency housing and supportive services for 90 days. Twelve beds were provided for newly identified homeless individuals with HIV/AIDS. The shelter is a 24-hour facility. The total cost for operation and supportive service is \$259.00.

Aids Housing Alliance (AHA) a combination of temporary and permanent housing.

Aids Housing Alliance (AHA) provided a total of 41 beds for housing through several of their projects including Avalon, Hidden Cove, Cornerstone and Steven's Place. These programs are providing operation cost and supportive services at no cost to HUD because they are in stewardship. Under the Stewardship Program, AHA's housing programs will continue to provide the same level of service, after fully expending HOPWA funds to acquire and/or rehabilitate these sites.

Mercy Housing Serna Village provided two-units of permanent supportive housing for persons living with HIV/AIDS. The Serna Village expansion was completed in 2006. This program is in stewardship after fully expending HOPWA funds for acquisition. The two units have not been occupied by HIV/AIDS clients to date. DHA is working with new management at the site to assure that this is corrected in 2007.

Transitional Living and Community Support (TLCS) provided nine-units of permanent supportive housing for individuals with HIV/AIDS, who have mental health problems at Southside House, part of their Downtown Co-ops. TLCS received \$97,134, which fully expended HOPWA funds awarded. The program entered into stewardship status in September of 2006. The program is struggling to meet its expenses and is actively seeking additional funds to continue to provide services as per their commitment to DHA by contract.

Mexican American Alcoholism Program (MAAP) provides four units of permanent supportive housing at Las Casitas. The four-unit apartment complex serves individuals with HIV/AIDS and their families. This program is in stewardship. The program is fully funded by other funding sources, such as Ryan White.

b. The number of units of housing which have been created through acquisition, rehabilitation, or new construction since 1993 with any HOPWA funds.

As far back as 1998, Cornerstone obtained HOPWA funds to acquire and rehabilitate six units. Since that time, as many as 61 additional units including Avalon, Stevens Place, Las Casitas and Serna Village have been rehabilitated.

c. A brief description of any unique supportive service or other service delivery models or efforts.

In 2006, MAAP was awarded \$748,000 for developing the Casas Serenas Project. This project provides permanent supportive housing for the homeless and homeless veterans that suffer from substance abuse and/or have HIV/AIDS. There are scattered housing sites in a shared housing setting.

In addition to providing assistance to HIV/AIDS patients, many agencies have provided unique supportive services to provide more comprehensive aid to the clients. MAAP provided intensive Shelter Plus Care case management for 52 formerly homeless individuals living with HIV/AIDS to assist them in meeting the Continuum of Care strategies and goals.

d. Any other accomplishments recognized in your community due to the use of HOPWA funds, including any projects in developmental stages that are not operational.

The AIDS Housing Alliance was awarded \$900,000 for additional project development and services for the Colonia Saint Martin de Porres facility that will eventually provide 40 units of one, two, and three-bedroom apartments in the south county area. A three-acre site has been purchased for this project with an anticipation of a two-year construction period to begin May 2007.

2. Barriers or Trends Overview

a. Describe any barriers encountered, actions in response to barriers, and recommendations for program improvement

There are several barriers encountered by the City of Sacramento, including:

- o reduction or lack of Section 8 vouchers to meet the needs of the community
- o individuals who have previously been evicted are hard to place since landlords consider them high risk
- o identifying service needs for persons living with HIV/AIDS due to longer life expectancy
- o no cost of living increases or inflationary increases for operating expenses

The current demand on housing makes affordable housing an almost extinct commodity for our Continuum of Care program.

Other types of barriers encountered are:

- Ambiguous regulatory language which make it hard to interpret the intent of the program
- Insufficient IDIS training for program staff that is specific to federal programs such as HOPWA and ESG
- Provider statistics not readily available
- Conflicting priorities/deadlines and a lack of coordination/direction between funding sources and agencies

For additional information, please refer to Exhibit One in the 2006 Continuum of Care on file with the SHRA CDBG staff.

b. Trends you expect your community to face in meeting the needs of persons with HIV/AIDS.

Many funding sources are now concentrated on the development of housing and additional funding is required to cover supportive service costs. However, supportive services funding is also restrictive and has been reduced or is not available. As a consequence, development dollars are unable to be maximized creating a potential loss of housing development funding and putting the neediest clients dangerously at risk.

c. Any other information you feel may be important as you look at providing services to persons with HIV/AIDS in the next 5-10 years

A new strain of HIV is causing a rapid onset of AIDS. Current medications are not as helpful with the new strain of HIV. Also for those HIV/AIDS clients who have accessed health care and therefore successfully managed their disease for many years, advancing age is causing more dependence on services. The convergence of these two circumstances will result in the growth of infected individuals and the impact of needed services in the next few years.

In addition, according to the Sacramento HOPWA Advisory Committee, many providers of services to persons who have HIV/AIDS have witnessed approximately half of their participants suffering from some sort mental health problems. It has been reported that some of the drugs for persons with HIV/AIDS cause dementia problems, further exacerbating the dependence of supportive services and new drug therapy.

HOPWA Accomplishment Data

Please refer to Attachment H - HOPWA Performance Measurement Outcomes (HUD Form40110-D) for information.

OTHER NARRATIVE

Not applicable.