

Consolidated Annual Performance and Evaluation Reporting

January 1, 2006 through December 31, 2006

County OF SACRAMENTO

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- A. Resources Expended or Committed and Activities Completed or Committed for Affordable Housing
- B. HOME Match Report
- C. Map of Investments
- D. Performance Measurements System Table
- E. AmeriNational Report
- F. Race and Ethnic Demographics Table

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 County Board of Supervisors 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 County of Sacramento (County). 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), 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 D - 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 portion 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 portion 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. Sacramento 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 gave 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.

Local jurisdictions actions to help overcome impediments to affordable housing include:

- Streamlined permitting for affordable housing developments.
- Implementing inclusionary housing ordinances. In 2006 in the second year of implementing the County Affordable Housing Program, SHRA staff reviewed 114 new affordable housing plans representing 26,700 market units. Of these, a total of eighty-nine per cent (89%) will be affordable units when constructed in future years.
- 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 in Prop 46 funds including SHRA which received half of this or \$5.1 million for the Cal Home and BEGIN programs. Proposition 63, the Mental Health Services Act of 2004, is just beginning to make awards and SHRA staff worked in 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 SHRA Housing Policy and Development Department 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 provided for seniors and youth. The programs and strategies include:

- **Housing Element** - The County of Sacramento, General Planning Department and SHRA will continue to evaluate affordable housing plans for all developments of five or more units; collect fees where applicable, enter into agreements when developers are proposing construction or land dedication; select affordable developers for dedicated sites, and begin the development process for affordable housing on these sites.
- **Inclusionary** - The County's General Plan, Affordable 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. SHRA and the County continue efforts to reduce local government and development costs in a variety of ways, i.e. payment of fees and land dedication costs.
- **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.

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 County 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 **\$2,877,583** in tax increment funds

provided much needed assistance in redevelopment areas within the County of Sacramento.

Program Income

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

Commercial Revolving Loan Fund (RLF) Interest Income	\$12,672.10
Commercial RLF Loan Repayments	\$19,134.92
Commercial RLF Sale of Fixed Assets	\$34,000.00
Single-family Rehabilitation RLF Interest Income	\$29,832.75
Single-family Rehabilitation RLF Loan Repayments	\$42,157.63
Single-family Rehabilitation RLF Loan/Deferred Repayments	\$286,425.89
Single-family Rehabilitation RLF Miscellaneous Income	\$182.14
Single-family Rehabilitation RLF Service Fees	\$4,400.00
Multi-Family Rehabilitation RLF Interest Income	\$7,362.70
Multi-Family Rehabilitation RLF Loan Repayments	\$232,137.55
First Time Homebuyers RLF Interest Income	\$9,205.47
First Time Homebuyers RLF Loan/Deferred Repayments	\$216,733.04
First Time Homebuyer RLF Miscellaneous Income	\$165.00
Locke Miscellaneous Income	\$21,150.00
Total	\$915,559.19

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

Miscellaneous Income	\$250.00
Bad Debt Recovery	\$2,174.71
Rehabilitation RLF Interest Income on Investments	\$292,064.23
Rehabilitation RLF Interest Income on Loans	\$181,108.17
Rehabilitation RLF Loan Repayments	\$187,863.89
Rehabilitation RLF Loan/Deferred Repayments	\$208,968.60
Total	\$872,429.60

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 \$1,197,120 for the emergency shelter program in the County.

Urban County of Sacramento

In addition to redevelopment tax increment, County general funds, state and federal funds were used in conjunction with CDBG to undertake infrastructure improvements. CDBG funds were also used in the Urban County of Sacramento specifically for the cities of Folsom, Isleton and Galt to provide funding for infrastructure projects such as street and lighting improvements, rehabilitation to community centers, and handicap accessibility parking lot improvements. The CDBG funds were augmented by federal, state and private resources to implement the projects.

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 (HARPS), and Neighborhood Housing Services.

Housing Activities

Consolidated Plan housing activities for 2006 shown in Attachment A, indicate that SHRA expended **\$18, 236, 829** in federal funds and leveraged \$ 173, 912, 913 in private resources in the County.

This has provided an overall leverage ratio of \$9.50 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 D –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 assist staff 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). ESG funded programs are reviewed by DHA staff to ensure all programs meet ESG eligibility criteria. DHA staff also review 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 Bee*. No public 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.

CDBG administrative staff also work with the cities of Folsom, Isleton, Galt and Rancho Cordova on a variety of planning and infrastructure projects.

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, HOME, and 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 projects routinely to confirm that residents meet HOME and CDBG loan and regulatory agreements.

ESG

ESG 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 uses 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 conducts 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 34 on-site monitoring visits to 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 service 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.

During the monitoring visits, 28 projects were found to have exceptions relating to the tenant eligibility documentation required by the HOME Program. Of these 28 projects, one had property management issues, 20 had tenant eligibility documentation exceptions, and three had file management issues. In accordance with the Agency's Portfolio Management monitoring procedures, borrowers received written notification of their file errors and submitted corrections and/or Action Plans in a timely manner avoiding non-compliance determinations and additional inspections during the year. All projects were in compliance with the rent and income requirements of the HOME Program.

To determine if the projects remain in compliance with all applicable Housing Quality Standards (HQS) and local code requirements, 30 projects were inspected. Of the 30 inspections, eight projects or 26% were found to have failed units. The failed items found in the units mainly consisted of over-crowded units that were potential fire hazards, and in some instances consisted of unsanitary conditions that presented health concerns. The inspections also found 26 projects to have one or more units with notable items that were not determined to be failed issues. In all instances, corrections were completed in a timely manner and projects were brought into compliance with HQS requirements.

During the period, 45 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 review 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. 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 in developing a comprehensive procedure manual similar to ESG that can be used by staff.

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 affecting the particular neighborhood. SHRA utilizes numerous funding sources including CDBG, HOME and TI funds 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 organized 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 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 D - 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, 370 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. 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 D - 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 County 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 Board of Supervisors 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 were written with an effective date of January 1st

and an ending date of December 31st. This helped ensure that public service dollars were spent within a calendar year and unused dollars were 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

SHRA staff coordinated with DHA to ensure timely draw downs of previous years ESG funds. Additionally DHA staff is committed to providing accurate non-duplicative 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, and ESG 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 D - 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 County of Sacramento is on target to meet the goals identified in the 2003-2007 Consolidated Plan. Please refer to Attachment D - 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 provided training and literature on lead-based paint safe work practices to the volunteers assisting with their rehabilitation and handicapped accessibility programs.

City of Folsom

In 2006, the City of Folsom continued to offer its housing rehabilitation program to low- and moderate-income eligible participants both homeowners and renters. The programs' policy includes lead-based paint inspection, clearance, and homeowner training.

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 Grants Program, Retrofit Accessibility Grants 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, three (3) homes were found with lead-based hazards and corrective actions were taken to eliminate the risk.

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 maintaining and increasing the supply of affordable housing through its Housing Authority, its Housing Policy and Development Department, and its Loan Processing Department.

Sacramento Housing and Redevelopment Agency

Housing Authority Homes for Sale Programs

The Housing Authorities of the City and County of Sacramento have adopted public housing homeownership programs 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.
- During the reporting year, 110 affordable housing plans were reviewed, which proposed a total of 1,829 affordable housing units to be constructed in future years: 1,210 low income, 426 very-low, and 193 extremely low income. Of this total, 652 units will be single-family for sale units and 1,177 multifamily rental units.

The current HOME Consortium Agreement between the County of Sacramento and the cities of Citrus Heights, Rancho Cordova, Elk Grove covers the years 2006 - 2008. During that period, the demographics of Citrus Heights, Rancho Cordova, and Elk Grove were combined by the U.S. Department of Housing and Urban Development (HUD) with those of the unincorporated County, Folsom, Isleton, and Galt, to determine the amount of the County's annual Housing Investment Partnership Funds (HOME) entitlement. The aggregation of demographics effectively increased the amount of the HOME entitlement received by the County.

Participation in the HOME Consortium allows incorporated cities access to all SHRA programs funded by HOME, including multi-family construction and rehabilitation loans and first time homebuyer programs. Should a city wish to use their allocation of HOME funds for a non-SHRA program, such as a city administered homebuyer program, that City and SHRA will enter into a subrecipient agreement. The subrecipient agreement will detail the use of the HOME funds and administrative responsibilities for both the City and SHRA. Currently, the City of Citrus Heights has such an agreement which allows them to use their proportional allocation of HOME funds for a city-run first-time homebuyer program. SHRA is anticipating a continuation of this agreement with Citrus Heights and that the cities of Rancho Cordova and Elk Grove may want similar agreements.

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 down payment 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 D Performance Measurement Systems Table.

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 D - 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	46	262	236	687	544
% of Total Assisted	8%	48%	44%		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 D - 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 *	8	6	71	189	85
% of Total Assisted	9%	7%	84%		100%
**% of Total Need	43%	30%	27%		100%

* Completed units from Greenbriar Apartment, Hastings Park, Serna Village, Acacia Meadows, and Sierra Creek Senior Aptment.

**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 County of Sacramento serves the worst-case needs by working with the Housing Authority, public service agencies, the cities of Sacramento, 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 and County addresses emergency housing and assistance services.

Housing Needs of Persons with Disabilities

All of the County 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 D, Performance Measurement System Table.

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 included 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 2006 in the second year of implementing the County Affordable Housing Program, SHRA staff reviewed 110 new affordable housing plans representing 20,556 market units. Of these, 1,829 (9.7%) will be affordable units when constructed in future years.
- 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 in Prop 46 funds including SHRA which received half of this or \$5.1 million for the Cal Home and BEGIN programs. Proposition 63, the Mental Health Services Act of 2004, is just beginning to make awards and SHRA staff worked in 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 County of Sacramento in July 2004. The program was structured to provide homeowners with a deferred payment loan of three percent. The maximum assistance is 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, forty families became 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, two public housing County residents purchased homes under SHRA's 5(H) Program using the ADDI Program and nine 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 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 for 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 from the City and County for a two year project.

Transitional Living and Community Service'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 for a two-year project.

As of January 2007, Housing and Urban Development (HUD) has not yet contacted the Continuum of Care regarding the Homeless SuperNOFA submitted in May of 2006 for the outcome of their 2006 applications. Both projects are expected to be approved by HUD although this is unknown at this time.

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).

ESG funds were used in 2006 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 D, 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 D - 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 D - 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 County of Sacramento spent 87.50 percent of its CDBG funds to benefit low- and moderate-income individuals (minimum 70 percent is required). The remaining 12.50 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 County 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 County 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 D- 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 County 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

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

There was no displacement or relocation activity to be reported.

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.

There was no displacement or relocation activity to be reported.

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

There was no displacement or relocation activity to be reported.

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, 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.**

None were made.

- 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 E.

- 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 E.

- 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 E.

- 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 County CDBG in 2006 but a parcel at 3945 48th Avenue, originally purchased with CDBG, was listed for sale in 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 D) for information on 2006.

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

Please refer to the attached Performance Measurements System table (Attachment D) 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.

The County of Sacramento has not adopted any neighborhood revitalization strategies to date, nor does the County have any federally funded designated EZ or EC areas.

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, and 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 which serve employers and job seekers alike to create employment connections and increase the income of their participants.

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. It 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 leadership and management skills, DHHS offers a separate program to augment the 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. The purpose of the California Work Opportunity and Responsibility to Kids (CalWORKs) program is to:

- promote and encourage work to enable families to become self-sufficient
- provide financial aid for children who lack financial support and care
- protect and preserve the family unit
- provide the opportunity for rehabilitation of the family whenever possible
- make available to children who cannot live in their own homes the kind of care and treatment best suited to their needs

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). 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 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 40 units of a 60 unit permanent supportive housing project to begin construction in 2007.

Specific HOPWA Objectives

Not applicable

OTHER NARRATIVE

Not applicable