



City of Sacramento

2011 ONE-YEAR ACTION PLAN

Lead Agency
Sacramento Housing and Redevelopment Agency
801-12th Street
Sacramento, CA 95814

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Fourth Program Year Action Plan

The CPMP Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

Executive Summary

Program Year4 Action Plan Executive Summary:

The Sacramento Housing and Redevelopment Agency (SHRA) administers the federal Community Development Block Grant (CDBG) funding on behalf of the City of Sacramento (City). This is the fourth year of the Five-Year Consolidated Plan (Consolidated Plan) period, which covers years 2008-2012. In 2011, SHRA anticipates receiving on behalf of the City, \$6,266,300 in CDBG funding to address priority needs in the community.

Along with CDBG funds, the City will use HOME Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG) and Housing Opportunity for People with Aids (HOPWA) funds; approximately \$10,905,930.

Additionally, the City adopted three Substantial Amendments to the Consolidated Plan in program year 2009. As a result, the Department of Housing and Urban Development (HUD) awarded new funds to the City as part of the Housing and Economic Recovery Act of 2008 (HERA) and the American Recovery and Reinvestment Act of 2009 (ARRA) .

These are:

Community Development Block Grant – Recovery (CDBG-R);
Homeless Prevention and Rapid Re-Housing Program (HPRP); and the
Neighborhood Stabilization Program (NSP1).

On September 8, 2010, HUD announced nearly \$1 billion in Neighborhood Stabilization Program (NSP) formula allocations. The City's allocation is \$3,762,329. The City will utilize the Neighborhood Stabilization Program 3 (NSP3) entitlement funding within SHRA's existing NSP1 funded programs.

The following 2008-2012 Consolidated Plan goals guide SHRA in assigning priorities for the 2011 Action Plan year:

1. Develop, preserve, and finance a continuum of affordable housing opportunities;
2. Revitalize low- and moderate- income neighborhoods to create healthy and sustainable communities;
3. Promote equal housing opportunities;
4. Support efforts to develop/complete the Continuum of Care System for the homeless through the provision of emergency shelters, transitional housing, and permanent supportive housing and services;
5. Provide community and supportive services for low- and moderate-income persons and those with special needs, including the homeless and persons living with HIV/AIDS;
6. Eliminate blight and promote economic development opportunities in commercial corridors; and
7. Implement effective and efficient management practices to enhance customer service and project delivery.

The goals of the three Substantial Amendments to the 2008-2012 Consolidated Plan are:

Community Development Block Grant – Recovery (CDBG-R)

1. Preserve and create jobs and promote economic recovery;
2. Assist those most impacted by the recession;
3. Provide investment needed to increase economic efficiency;
4. Invest in transportation, environmental protection, or other infrastructure that will provide long-term economic benefits;
5. Minimize or avoid reductions in essential services; or
6. Foster energy independence.

Homeless Prevention and Rapid Re-Housing (HPRP)

1. Prevent homelessness;
2. Divert people from shelters; and
3. Quickly re-house those who become homeless.

Neighborhood Stabilization Program (NSP1)

1. Return vacant foreclosed or abandoned residential properties to occupancy as quickly as possible;
2. Revitalize neighborhoods through strategic redevelopment, rehabilitation and reuse of vacant properties; and
3. Provide affordable homeownership and improved affordable rental opportunities to Sacramento families.

Note: Funds from the Housing and Economic Recovery Act of 2008 (HERA) and the American Recovery and Reinvestment Act of 2009 (ARRA), NSP, CDBG-R and HPRP funds are noted here because they are Substantial Amendments to the 2008-1012 Consolidated Plan. They will be mentioned briefly in sections of the Action Plan. Similar to HOPWA, however, program results of these funds is to be reported separately, and not in the companion Consolidated Annual Performance and Evaluation Reporting (CAPER), that reports CDBG, HOME and ESG funds.

General Questions

- 1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.**
- 2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.**
- 3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.**
- 4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.**

Program Year4 Action Plan General Questions response:

Geographic Allocation and Basis for Allocating Investments:

SHRA is responsible for implementing Redevelopment Plans in the 65th Street, Alkali Flat, Army Depot, Del Paso Heights, North Sacramento and Oak Park Redevelopment Areas, as well as the City/County shared Auburn Boulevard, Franklin Boulevard and Stockton Boulevard Redevelopment Areas. The City manages the Merged Downtown, River District and Railyards Redevelopment Areas.

SHRA provides CDBG assistance in low- and moderate-income communities citywide that may fall within the Redevelopment Areas listed above, or the City's four neighborhood service areas (NSAs): Central City/East Sacramento (Area 1), Southwest Sacramento (Area 2), Southeast Sacramento (Area 3) and North of American River (Area 4). The boundaries of these areas make up eight council districts that are redrawn every 10 years based on the most recent U.S. Census information. CDBG funds are also allocated to each district based on the percentage of low- and moderate-income persons within each district

Maps showing the low- and moderate income concentration by city council district areas including the redevelopment areas can be found in the CPMP 2.0 Year 4, Additional Files – Maps.

Also refer to Attachment 1, for the distribution of 2011 Proposed One-Year Action Plan Activities located in the CPMP 2.0 Year 4, Additional Files – Attachments.

Obstacles To Meeting Underserved Needs:

SHRA will continue to implement housing and community development activities that meet the underserved needs in the City of Sacramento.

The 2008-2012 Consolidated Plan lists the following obstacles to meeting underserved needs as:

- Availability of funding from both federal, state and other sources;
- High cost of housing and provisions in Sacramento which increases the difficulty of meeting affordable housing needs; and
- Ordinances and regulations limiting housing for low-and moderate-income households and special needs groups.

However, over the past four years, the economic climate changed dramatically and new obstacles emerged:

- Reduced or frozen funding from state and other sources due to the housing and credit crisis causing a negative ripple effect;
- High rate of unemployment and foreclosures continue to strain the ability to meet affordable housing needs; and,
- Credit crisis has limited the availability of capital to develop housing for low-and moderate-income households and special needs groups.

SHRA staff will address the challenges of previous and new obstacles in 2011 by focus in three programmatic and administrative areas. Primarily, staff will concentrate on project and program delivery of the funds including rapid deployment of economic stimulus funds from the HERA and ARRA. Additionally SHRA staff will continue to research availability of future funding resources and use proactive approaches toward future applications for potential leverage funds; this will assist SHRA to strategically place activities in line to address obstacles.

Second, SHRA staff will use CDBG and other ARRA funds as leverage for both City and the County administered programs and support services that serve the burgeoning needs of low- and moderate-income citizens communitywide. Unfortunately, many in the SHRA network of public service providers are being caught in the compounded predicament of significant loss of local and other funding while the numbers of their clients are growing. SHRA staff will work diligently to keep services and programs in tact and available.

An example is the Senior Nutrition Program. In the 2010 One-Year Action Plan submission to HUD, the County of Sacramento's Department of Human Assistance (DHA) was identified as the provider for the Senior Nutrition Program. On May 7, 2010, DHA notified SHRA they would not be able to continue the Senior Nutrition Program due to the

significant County General Fund deficit. DHA also issued a notice of termination for the Senior Nutrition Services portion of the CDBG agreement between DHA and SHRA, effective June 30, 2010. In July 2010, SHRA entered into a subrecipient agreement with the Asian Community Center, selected through a competitive process, as the sole provider of Older Americans Act Senior Nutrition Services throughout the City and County of Sacramento including the communities of Orangevale, North Highlands, Walnut Grove, the Delta and the cities of Folsom and Galt.

Finally, SHRA staff will respond to increased programmatic and administrative demands by creating greater internal efficiencies and realigning program and services delivery within its provider network. SHRA staff collaboratively works with both the City and County elected officials, as well as the Planning, Parks, Transportation, Public Works, Economic Development and General Services Departments to identify projects that also meet federal community development program eligibility and meet timely draw down requirements. Staff will continue to fine-tune this approach to help ensure projects are ready to go and project funds will be spent quickly and expeditiously.

Also, refer to the section on page 20, for Barriers to Affordable Housing, including other housing policy and related housing initiatives.

For additional programs serving the underserved needs of homeless, refer to the Homeless section on page 27.

Resources and Objectives:

The City will allocate resources to activities and programs proposed for the 2011 program year that are identified as a “high” priority and consistent with the strategies identified in the City’s Five Year Consolidated Plan for 2008-2012.

Refer to Attachment 2, Other Resources located in CPMP 2.0 Year 4, Additional Files - Attachments for Federal, state and other local resources, including McKinney Vento Homeless Act and Public Housing.

MANAGING THE PROCESS

- 1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.**
- 2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.**
- 3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.**

Program Year4 Action Plan Managing the Process response:

SHRA has three governing boards. They are comprised of eight elected council members and the mayor that represents the City and five elected supervisors that represent the County of Sacramento. The SHRA Commission, whose 11 members are appointed by the Board of Supervisors (Board) and the City Council (Council), governs SHRA and advises on various matters to the City and County governing boards.

Annually, SHRA prepares the One-Year Action Plan which serves as an update to the Five-Year Consolidated Plan covering years 2008-2012. SHRA staff receives input from the various project area committees, redevelopment area committees and, community and neighborhood groups within the City of Sacramento, including the County Department of Human Assistance (DHA), to develop the One-Year Action Plan.

Once the One-Year Action Plan has been drafted, a notice is published in a newspaper of City and County circulation. After the comment period has been completed, staff presents the One-Year Action Plan to the Sacramento Housing and Redevelopment Commission and the Sacramento City Council for a public hearing and final approval.

To enhance coordination between public, private housing, health, and social service agencies during the One-Year Action Plan process, SHRA will continue to initiate projects and policies to maximize affordable housing opportunities for income eligible households. SHRA also coordinates with a variety of nonprofit organizations, including, Transitional Living and Community Support (Downtown Single Room Occupancy), 211 Sacramento, Keys to Hope, Lutheran Social Services, Volunteers of America, Salvation Army and other agencies that will partner with the City and County to revitalize low-income communities using CDBG, CDBG-R, HOME, ESG, HOPWA, HPRP, NSP, tax increment, housing trust funds, mortgage revenue bonds, CalHome, and mortgage credit certificates.

In addition, staff maintains working partnerships with the Sacramento Employment and Training Agency, the Sacramento Regional Transit District, financial institutions, school districts, community businesses, and public agencies and nonprofits. Other specific private and nonprofit partners include: USA Properties, John Stewart Company, Sacramento Mutual Housing, Tower Development, Mercy Housing, Dawson Holdings and Domus Development.

To better link services to the targeted population, SHRA staff also maintains relationships with local, state and Federal agencies including, the County Department of Health and Human Services, California's State Department of Housing and Community Development and HUD. SHRA's Executive staff historically participates in membership roles with associations such as:

- National Association of Housing & Redevelopment Officials (NAHRO)
- Council of Large Public Housing Authorities (CLPHA)
- The Urban Land Institute (ULI)
- California Association of Local Housing Finance Agencies (CAL-ALHFA)
- California Redevelopment Association (CRA)
- California Housing Consortium
- Housing California
- Northern California Nevada Executive Directors Association (NCNEDA)
- Friends of Light Rail
- Sacramento Metropolitan Chamber of Commerce

Citizen Participation

1. Provide a summary of the citizen participation process.
2. Provide a summary of citizen comments or views on the plan.
3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

Program Year4 Action Plan Citizen Participation response:

SHRA staff followed the requirements for citizen participation as outlined in the Consolidated Plan section for Citizen Participation.

Efforts to reach out to the community and neighborhood population for citizen comments began during the 2008-2012 Consolidated Plan process, continued through the 2010 Action Plan and again during the One-Year Action Plan process for 2011. Draft copies of the Action Plan and 2011 Proposed One-Year Action Plan Activities are displayed for public comment on the SHRA web site located at www.shra.org. The public notice is published in the Sacramento Bee 30 days prior to the scheduled public hearing dates. Public comments are also received by SHRA's Housing and Community Development Department. The Action Plan is then presented to the Sacramento Housing and Redevelopment Commission with a public hearing and final approval by the Sacramento City Council.

Public Comments

Add language after public comment period has ended.

INSTITUTIONAL STRUCTURE

1. Describe actions that will take place during the next year to develop institutional structure.

Program Year4 Action Plan Institutional Structure response:

The SHRA Executive Director's (ED) office is responsible for guidance and leadership of all aspects of operations. The ED office receives its policy direction from the County of Sacramento Board of Supervisors (Board) and the Sacramento City Council (Council) with advice from the Sacramento Housing and Redevelopment Commission (SHRC) and assumes responsibility for insuring successful development and execution of all SHRA programs. SHRA's institutional structure for 2011 is organized into three general departments: Executive Director and Administration, the Housing Authority, and Housing and Community Development.

The Executive Director and Administration Department includes an Executive Cabinet comprised of the Executive Director, Deputy Executive Director, General Counsel, Director of Administration, Director of Finance, and the Public Information/Communications Officer. The Directors are responsible for all SHRA operations, as well as legal, fiscal and personnel management. Also included are five Administrative Support Departments: SHRA Clerk, Human Resources, Information Management Technology Services, Public and Internal Communications, and Risk Management. The Real Estate and Construction Services Department reports to the Director of Administration.

The Housing Authority (HA) provides affordable housing in the city and county of Sacramento through the Public Housing Program, Housing Choice Voucher (HCV) programs, and through the selective use of tax credit and long term bond financed developments for extremely low-, very low-, and low-income families, seniors, and disabled individuals. The HCV Program makes privately-owned properties affordable for very low-income families through rent subsidies paid to private owners. The Public Housing Program provides apartments, duplexes, and some single-family homes to qualified low-income families. This housing is owned, managed and maintained by the HA, making it one of the largest landlords in Sacramento.

The Housing and Community Development Department (HCD) is responsible for the following functions:

City and County Community Development includes: Planning and Project Delivery for the Department and the following; Community Development Block Grant (CDBG), Community Development Block Grant – Recovery (CDBG-R), Neighborhood Stabilization Program (NSP), Homelessness Prevention and Rapid Rehousing Program (HPRP), Commercial Revitalization and Grow Sacramento programs. The team is focused on the planning and implementation of redevelopment, community development, and neighborhood revitalization projects within 12 redevelopment areas (the Walnut Grove Redevelopment Area was terminated by Ordinance 1560 in November 2009), and numerous low- and moderate-income neighborhoods and utilizes tax increment, CDBG and NSP funds to address the revitalization of the most blighted communities. Economic and commercial development is accomplished through loans and exterior rebates that upgrade commercial buildings in the older commercial corridors of the county. This division also administers the Local Agency Military Base Recovery Area (LAMBRA) on former Mather and McClellan Air Force bases, which provide state tax advantages to businesses that locate or expand on the former bases or that hire persons with barriers to employment.

In 2010, SHRA transferred the administration of the three Enterprise Zones (Florin Perkins, Northern Sacramento and the Sacramento Army Depot) to the Sacramento Employment and Training Agency (SETA). The Enterprise Zones provide state tax advantages to businesses that locate or expand or that hire lower income persons.

Housing Finance includes: Delivery, Policy, Special Needs Housing and Central City Housing, Inclusionary Housing Ordinance Implementation, and Portfolio Management. As the region's largest affordable housing lender, this group assists the City and County in housing policy and invests public funds, including the HOME funds, Housing Trust Funds, and Tax Increment Funds in new construction or rehabilitation projects that preserve and expand the supply of affordable housing. Other activities include legislative analysis and tracking, assistance to the City and County in the development and implementation of

their Housing Element, leadership on homelessness issues, the development and administration of mixed-income or affordable housing programs, and the development of permanent supportive housing for the homeless.

The Portfolio Management team ensures that SHRA community investments maintain their value over time. It oversees the multi-family loan portfolio, SHRA real estate assets and maintains funding affordability requirements.

The Real Estate and Construction Services Department includes: Real Estate, Design and Construction, Procurement Services and Homeownership Services. They provide real estate services including appraisals, negotiations, documentation and closing of transactions for real property leases, purchased and sold on behalf of SHRA. The Construction Services division provides oversight of construction activities. The Procurement Services division provides standardized procurement procedures as well as outreach and labor compliance across SHRA. The Homeownership Services division, formerly Loan Processing, provides a variety of programs and services that include both the first-time homebuyer programs and single family rehabilitation loans and grants.

MONITORING

- 1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.**

Program Year4 Action Plan Monitoring response:

To implement an effective housing and community development program, CDBG and HOME activities will be monitored on a consistent basis. Monitoring visits assist in determining 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. Several monitoring visits will be scheduled in the City and County for year 2011.

For HERA and ARRA programs, SHRA will take additional steps, beyond standard practice, to initiate oversight mechanisms in order to mitigate the unique implementation risks of the Recovery Act. At a minimum, SHRA is prepared to evaluate and demonstrate the effectiveness of standard monitoring and oversight practices. NSP1 will be monitored as per the CDBG/NSP1 Management Plan previously submitted to HUD in accordance with CDBG Regulations, 24 CFR Part 85 and 24 CFR 570.501-503. NSP3 will be monitored according to the previously submitted CDBG/NSP1 Management Plan and applicable federal regulations.

The Procurement Services division 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 will continue to increase outreach to M/WBE firms by participating with local businesses and organizations (Regional Transit, SMUD, and chambers of commerce) and other government entities (City and County of Sacramento, State of California, and local business information centers) at contracting seminars and expos, exposing the attendees

to a variety of information on contracting processes and contracting opportunities with SHRA.

The Portfolio Management division conducts annual on-site monitoring visits of HOME and CDBG-funded rental housing projects. This monitoring includes a sample audit of the project's tenant eligibility documentation, a physical inspection of sample rental units, a physical inspection of the exterior of the project, and an assessment of property management policies and procedures. In addition, project managers submit a Unit Status Report annually for rental projects funded with HOME and CDBG. This report includes a listing of current tenants occupying HOME-assisted units, the total household annual income, source of income, household size, current rent amount, and income designation.

The Real Estate and Construction Services Division conducts on-site monitoring visits to construction projects funded with HOME and CDBG. Monitoring includes the following components:

- checking whether the construction work conforms to the contract plan specifications and SHRA approved scope of work;
- federal ADA requirements;
- progress payment inspections;
- final construction closeout inspections prior to processing final payment; and
- oversight management of all aspects of inhouse construction projects.

SHRA continues to monitor timeliness of expenditures through monthly progress updates with subrecipients, and requesting timely invoice payments for completion of work.

Subgrantee monitoring for the Homelessness Prevention and Rapid Re-Housing Program (HPRP) includes all of the following components:

- Continuous, ongoing collection of client assessment , assistance and outcome data;
- Frequent technical assistance visits, meetings and calls, as needed;
- Bimonthly meetings with provider management staff to discuss implementation issues, share best practices and results, make continuous improvements and make program policy decisions;
- Monthly meetings with provider staff to review practices and improve service delivery;
- Monthly tracking of expenditures, clients served, and other performance measures;
- Biannual monitoring visits to review case files, procedures, and financial statements to ensure compliance with program rules;

- Annual program-wide evaluation to determine program efficiency in ending homelessness and suggest strategic or structural changes, if necessary.

The County of Sacramento, Department of Human Assistance will monitor projects and programs that use both City and County ESG and HOPWA funds. DHA also meets monthly with the HOPWA providers to discuss funding and program issues. Technical assistance is provided to any HOPWA or ESG provider seeking to improve program outcomes or compliance. Monitoring includes site visits and monthly program review to observe report on:

- a. Submission of monthly provider reports and billing statements;
- b. Review of case files for client documentation and evidence of agency compliance;
- c. with program requirements;
- d. Financial review of time sheets and audit information; and,
- e. Review of Homeless Information Management Information System (HMIS) demographic data.

Lead-Based Paint

- 1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.**

Program Year4 Action Plan Lead-based Paint response:

SHRA will coordinate activities with the County Department of Health and Human Services to reduce lead-based paint hazards in accordance with federal regulations. Any rehabilitation activities on housing units constructed prior to 1978 will have lead hazards identified and actions taken to remove the hazard.

The County's Health Education Unit and Public Health Nurses (PHNs) in the Public Health Nursing Field Services Unit provide outreach and education regarding lead poisoning and prevention practices. Health Educators and PHNs train community-based agency staff and medical providers on lead screening protocols and testing services. 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 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. Lead Poisoning Prevention is a

collaborative effort between Childhood Lead Poisoning Prevention Program and Childhood Illness and Injury Prevention Program.

The Real Estate and Construction Services Department routinely abates lead from all pre-1978 units whenever structural improvements are made. If a unit is deteriorating, the Site Management will have the unit tested and abated as necessary. The Housing Authority plans to inspect the multi-family and single-family housing units in 2011. Residents are provided with information about lead-based paint hazards. Staff attends training and seminars to stay current with State of California Lead Awareness Training requirements. All lead-based paint testing and abatement is performed using qualified consultants and abatement contractors.

The Homeownership Services division will continue to address lead-based paint hazards in the following programs: Emergency Repair Program/ Accessibility Grant program and the Create a Loan federally funded residential rehabilitation loan programs. First-time homebuyer houses are inspected for defective paint and stabilization and clearance is required. SHRA contracts with lead-based paint inspection services to provide inspection services for program participants. 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 or removed.

The Housing Choice Voucher division provides property owners, applicants, and participants with information about lead-based paint hazards and stabilization techniques using safe work practices before an inspection is conducted. Housing Choice Voucher staff will perform a Housing Quality Standard (HQS) inspection of each pre-1978 unit where a child under the age of six 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. Also included is information about required clearances and record keeping. Once the appropriate lead-based paint abatement has taken place the unit is cleared by the HQS inspector.

The both the nonprofit and for profit companies that contract with SHRA are required to follow lead-based paint safe work practices. For example, Rebuilding Together, a nonprofit, offers training and literature on lead-based paint safe work practices to the volunteers assisting with rehabilitation and handicapped accessibility programs.

HOUSING

Affordable Housing Objectives

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year4 Action Plan Specific Objectives response:

HOUSING PROGRAMS

Lower income households continue to pay a higher percentage of their income for housing, compared to other income groups. A large proportion of lower income renter-households also tend to experience other housing problems such as overcrowding and inadequate housing conditions. To help to provide decent and affordable housing, and improve the social and economic status for extremely low-, very low-, low-, and moderate-income households in the City of Sacramento, the following programs will be available during the next program year.

Homeownership

The Homeownership Services division of the Real Estate and Construction Services Department will continue to provide a variety of homeownership programs including the owner-occupied rehabilitation loans/grant programs and various homebuyer assistance programs. In 2011, staff will continue to offer these programs in addition to providing the homebuyer selection/certification services for buyers in the City's Inclusionary Housing Program and buyers of NSP-assisted homes under the Sacramento Vacant Properties Program. Also, Homeownership Services will continue to qualify buyers and process the financing under the Section 32 Homeownership Program

The Program Layering Policy allows low-income buyers to combine SHRA assistance programs such as First Time Homebuyer, Target Area Homebuyer, and the Mortgage Credit Certificate Programs to increase their buying power. These programs include the following:

- 1) The First-Time Homebuyer Program provides 20 percent of the sales price (up to \$40,000) in the form of a deferred loan for down payment and closing cost assistance. In certain redevelopment areas, the Target Area Homebuyer Program uses tax increment funds that have additional incentives to encourage purchase in these target areas such as removing the first-time homebuyer requirement and allowing higher income limits of 110 percent of area median. In 2011, HOME funds will also be used in conjunction with CDBG program income resources to fund this program.
- 2) The Mortgage Credit Certificate (MCC) Program which provides a 20 percent Federal income tax credit based on the mortgage interest paid thus providing the homebuyer with more disposable income. Lenders are able to use the anticipated tax savings when they calculate the monthly payment a buyer can afford.
- 3) The Emergency Repair Program/Accessibility Program (ERP-A) offers grants up to \$5,000 (to very-low income homeowners) to pay for emergency or urgent repairs and grants of up to \$5,000 to low-income disabled residents (owners and renters) to make accessibility modifications to their residence. For major repairs and improvements, the Create a Loan Program provides loans up to \$50,000 with deferred payments for seniors and other eligible low-income homeowners.

4) HERA and ARRA Programs:

Vacant Property Program, NSP1. This program is designed to return foreclosed, vacant and blighted homes to owner occupancy by partnering with local builders and non-profits in targeted areas of the City. The program provides a developer incentive fee to be paid after homes are rehabilitated and sold to owner-occupants.

Multifamily Housing

The Housing Finance division, through SHRA's Multifamily Lending and Mortgage Revenue Bond Program for Projects 12 units or More offers various forms of financing to affordable housing developers, both for profit and non-profit in order to preserve and expand the supply of affordable housing in the City of Sacramento. The priorities of the division are outlined below:

1. Preservation

The preservation of projects that are currently publicly subsidized, but at risk of losing affordability restrictions due to sale, termination, or public subsidy reductions.

2. Recapitalization

Substantial rehabilitation of projects with affordability restrictions, including projects that have reached the expiration of their 15-year tax credit compliance period, but only in conjunction with new mortgage revenue bonds, tax credits, and/or other affordable housing resources to the greatest extent feasible.

3. Inclusionary housing

New construction to meet inclusionary housing requirements under the City of Sacramento Mixed Income Housing Ordinance, but only in conjunction with mortgage revenue bonds, tax credits, a State subsidy, and/or a contribution of land and monetary financial assistance from the master developer.

4. Rehabilitation and new production

Substantial rehabilitation of other projects, with preference among City projects to those located in redevelopment areas; and

New construction of affordable housing including low income, mixed income, or workforce housing, with preference to projects in census tracts where the poverty rate is less than 30 percent; projects that meet redevelopment goals; projects located within ¼ mile of a Transit Hub (as defined by State Transit Oriented Development Program Guidelines); or development of sites identified as being appropriate for affordable housing in the Housing Element.

SHRA has adopted these priorities in order to reduce the housing cost burdens and overcrowding for tenants. As a result of SHRA's Multifamily Lending and Mortgage Revenue Bond Programs and the long-term rent restrictions placed on SHRA-subsidized units, property owners are required to offer their tenants' units at an affordable rent, reducing the tenants' rent burden. In addition, a reduction of overcrowding may occur due to the production of unit sizes ranging from one to four bedrooms.

Unfortunately, due to the downturn in the economy, SHRA has closed its Multifamily Lending and Mortgage Revenue Bond Program to new City projects. In the next program year, Housing Finance anticipates assisting projects for which it has already received applications. These projects will help to meet the needs of lower income populations and will be funded through a number of financial assistance programs including:

- Assistance with the issuance of tax-exempt Mortgage Revenue Bonds to be used as a financing tool for qualified multifamily projects;
- CHDO set-aside funds for the development of new rental housing through direct financial assistance;
- Affordable, low interest loans with long-term affordability restrictions for housing preservation, recapitalization, and rehabilitation of substandard housing; and
- Affordable, low interest loans with long-term affordability restrictions for new construction of multifamily housing.

The above programs leverage a variety of funds including local, private, state and Federal as indicated on the HUD SF-424.

PUBLIC HOUSING NEEDS

- 1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.**
- 2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.**

Program Year4 Action Plan Public Housing Strategy response:

The Housing Authority (HA) provides affordable housing for over 14,500 families through its Public Housing Program and serves over 11,000 extremely low-, very low- and low-income families, seniors, and disabled individuals through the Housing Choice Voucher Program.

The HA continues to make progress toward high performer status through operational efficiencies such as a document imaging system that will replace the existing filing system and result in higher administrative performance and implemented a series of internal audit and monitoring systems. The HA will also manage assets by continuing to reposition

downtown high rise developments and implementing site base waiting lists that remains open to allow for greater resident unit selection and a more efficient lease- up and housing process.

The HA previously retained CSG Advisors provided a property assessment that evaluated the immediate and long-term financial viability of its public housing portfolio. The assessment prioritized the public housing units by which should be maintained, developed, renovated, disposed or otherwise repositioned in order to achieve long-term financial sustainability. In 2011, the HA continues to develop and implement repositioning strategies outlined in the plan and use innovative techniques to leverage limited existing resources that provide the greatest potential return on investment to the HA.

Current Rehabilitation Projects

The Federal government, as part of the American Recovery and Reinvestment Act of 2009 (ARRA), recognizes that housing authorities have long needed additional capital renovation funds to modernize much of the nation's public housing. Last year the Housing Authority received (by formula) \$4.6 million for the renovation of 2025 units.

626 I Street

In June 2009, the Housing Authority received Council approval to seek funding for the 626 I Street project through a competitive ARRA Capital Funds Recovery Competition (CFRC) Grant. The ARRA competitive grant required a 25 percent match of non-public housing funds. In September 2009, the Housing Authority was awarded the maximum grant of \$10 million for the substantial rehabilitation of the 626 I Street project. The Housing Authority of the City of Sacramento was the only entity in California awarded funds through this grant and the awarded amount constitutes 20 percent of the national funding allocation. In addition to these funds, the project will also utilize 4.2 million in Merged Downtown Tax Increment Housing Set-Aside Bond funds, and \$1,000,000 in CDBG funds.

The scope of work will include roof repair, window and window wall system replacement, water penetration prevention measures, building sealants, replacement of utility infrastructure (water, sewer, storm drain, and natural gas), and new electrical and mechanical systems. The project when completed will consist of 108 units for occupancy by extremely low-income elderly persons in September 2012.

Las Victorianas – 505 10th Street

This near-elderly complex consists of 40-units and upon funding, the rehabilitation to include, dry rot removal, new roof, new siding; and the installation of new HVAC units and hot water heaters. In 2011, the HA will utilize \$500,000 in CDBG funds for new roof and siding. The HA is in the process of seeking the additional \$1 million needed for the remainder of the rehabilitation project. The total project cost is estimated at \$1.5 million.

RESIDENT SERVICES INITIATIVES

Focusing on resident initiatives continues to be a priority for the HA. The large public housing developments such as: Marina Vista and Alder Grove as well as in various high rises in the downtown Sacramento area utilize resident committees as the main tool for tenant involvement.

A Resident Advisory Board is organized to support all of the committees. Resident committees provide input on the development of funding for the modernization of public housing units. A public housing resident currently serves on the Sacramento Housing and Redevelopment Commission.

In addition to the above, the HA contracts with residents to serve in the capacity of caretakers for their housing developments when there is no on-site HA management. Their duties include serving as an emergency contact, policing the grounds, light cleanup, and informing management of problems related to their complex.

The HA coordinates a resident training program which provides training in three employment areas: commercial painting, janitorial/custodial, and office/clerical work. Public housing residents and/or Housing Choice Voucher Program participants work with SHRA staff to gain experience and acquire the requisite skills for full-time regular employment.

HA programs are reviewed on an annual basis and new programs are added or deleted based on requests from residents or in response to legislation. Resident Services staff strive to stay knowledgeable about what services are available in the community to assist residents and to bring the services to the developments whenever possible. The following programs are currently available to residents in the family and senior/disabled developments:

- Computer Training Center (Marina Vista development)
- Quarterly newsletter with information about services available in the community
- Neighborhood Policing
- Homeownership Program
- Sacramento County service programs (drug and alcohol counseling, TANF eligibility, family counseling)
- Senior Nutrition Program
- Senior telecare program (daily telephone contact for at-risk seniors)
- Summer recreation and lunch programs
- Robertson Family Center (Twin Rivers)

BARRIERS TO AFFORDABLE HOUSING

1. **Describe the actions that will take place during the next year to remove barriers to affordable housing.**

Program Year4 Action Plan Barriers to Affordable Housing response:

SHRA is committed to help increase rental housing production and homeownership opportunities in the Sacramento region. As a lender and a developer, SHRA strives to efficiently manage its resources in order to address the range of need and reach special populations, the workforce population, and those who are moving out of the rental market and buying their first homes.

HOUSING ORDINANCES AND POLICIES

Staff continues to collaboratively work with the City and County to implement and revise as necessary existing housing ordinances and policies currently in place through the General Plans. These housing policies aim to expand affordable housing opportunities and strategies for extremely low-, very low-, low-, and moderate-income households, and provide additional supportive services and homeless assistance throughout the City and County.

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. SHRA has provided financial assistance to three downtown SRO projects: the YWCA, the Hotel Berry and the 7th & H development. In 2011, no CDBG or HOME funds are being allocated, however, rehabilitation of the 32-unit YWCA will be complete and SHRA anticipates renovation to be underway on the 104-unit Hotel Berry which received an ARRA funds award in 2009; as well as the commencement of construction on the 150-unit 7th & H development which received a 9 percent tax credit award in 2010.

Housing Element – In 2008, the City Planning Department and SHRA completed the 2008-2013 Housing Element, which serves as the overall housing policy and planning document for the City. 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. The Housing Element was reviewed and approved by the State Department of Housing and Community Development, who certified that it complied with all State laws on February 3, 2009. SHRA continues to work proactively on implementation of the affordable housing policies and programs adopted in the Housing Element, and reports annually to the State on units produced and program goals achieved. As per State law, the Housing Element programs and policies will be reviewed again in 2013.

Inclusionary - The City's Mixed Income (Inclusionary) Housing Ordinance, adopted in 2000, requires 15 percent of units constructed in new growth areas of the City to be affordable to low- and very-low-income buyers or renters. In the next program year, SHRA will continue to review and approve Affordable Housing Plans and agreements required under the ordinance. SHRA, through its Multifamily Lending and Mortgage Revenue Bond Policies may also provide reduced-interest-rate gap financing to multifamily housing projects which are developed to meet the ordinance's requirements. SHRA uses HOME funds, local Housing Trust Funds, Tax Increment as well as its capacity as an issuer of mortgage revenue bonds to provide gap financing. In 2009, SHRA completed a review of the Inclusionary Ordinance with a community stakeholder group to seek input on potential changes to the ordinance, including the expansion of the ordinance beyond the current "new growth" boundaries, adding compliance options to increase flexibility for developers and modifications of the current homeownership options.

Due to changes in the market, these recommendations are being considered in the context of supporting a revival of development in the City. SHRA will work with City Planning staff to implement changes to the ordinance resulting from this effort as directed by the City Council.

Analysis of Impediments - SHRA began updating the Analysis of Impediments (AI) to Fair Housing Choice in 2009 and will adopt the new AI in 2011. This planning document will identify the most significant barriers to fair housing choice in the City and County and outline specific steps for the City and County to address and overcome the effects of any impediments. This analysis has been a comprehensive review accounting for changes in the market since the onset of the housing collapse in 2008.

Housing Foreclosure Status - SHRA has been coordinating responses to the foreclosure crisis since October 2007. Initially, efforts focused on 1) compiling data and research to address the causes of foreclosure, 2) proactive measures, including workshops, to assist residents to stay in their homes, 3) tracking federal and state initiatives and responses, and 4) establishing a multi-jurisdictional taskforce to deal with nuisances and blight associated with foreclosed properties. SHRA's role was to provide leadership in partnership with the City and County of Sacramento, nonprofits, and the Sacramento Regional Partnership in Homeownership to create a collaborative and multi-faceted effort to address the foreclosure crisis.

Housing Foreclosure Status and HERA - As a result of SHRA's involvement in responding to the foreclosure crisis, it was in position to quickly mobilize a strategy for deployment of resources when in July 2008 Congress passed the \$3.9 billion Housing and Economic Recovery Act of 2008 (HERA) establishing the Neighborhood Stabilization Program (NSP1). Following approval, SHRA reached the following milestones:

- October 21, 2008 – Governing Board approval of the substantial amendment for the Neighborhood Stabilization Program (NSP1) to the One-Year Action Plan and outline of the local response to address foreclosures in the most impacted neighborhoods within the County. Impact was determined by the census tracts in the top quartile of each of the following indicators: 1) rate of foreclosure; 2) number of high cost loans; and 3) a propensity for foreclosures to continue.
- February 24, 2009 – Governing Board approval of implementation strategies, funding and program guidelines for the various subprograms identified for NSP1 funding, amendment of the 2009 One-Year Action Plan and Agency budget, and authorizing their submission to HUD. As a condition of use, all NSP1 funds needed to be obligated within 18 months of the One-Year Action Plan being approved and the line-of-credit being established or September 11, 2010.
- March 16, 2009 - HUD entered into agreement with the City of Sacramento for the NSP1.

In deploying the NSP1 resource, SHRA developed three highly successful subprograms including the Vacant Property Program, Block Acquisition and Rehabilitation Strategy and the Property Recycling Program. Additionally, through the NSP1, SHRA has developed extensive partnerships with the local building community, non-profit builders, and various non-profit organizations including Enterprise Community Partners and the National Community Stabilization Trust.

As of August 31, 2010, the City had met its obligation requirement for NSP1 having obligated entitlement and program income in the amount of 109 percent of the original award.

- On September 8, 2010, HUD awarded the City \$3,712,329 of NSP3 funding.

Outreach and Education - The CDBG division staff continues to work with the Human Rights/Fair Housing Commission (HR/FH) to provide outreach and education that will affirmatively further fair housing choice for protected classes under the Fair Housing Act. This will be achieved by investigating fair housing discrimination complaints, fair housing testing, fair housing education and outreach, and fair housing audits. CDBG staff will also work with the Code Enforcement programs operated by both the City of Sacramento.

Public Transportation - To ensue convenient access to housing, jobs, school, recreation and critical services such as banking, medical care and shopping requires a regional transportation system.

Sacramento Regional Transit District (RT) provides services to the cities of Sacramento, Citrus Heights, Rancho Cordova (with connections to the cities of Folsom and Elk Grove) and the unincorporated County of Sacramento encompassing 418 square miles and 1.2 million people, operates 81 bus routes and 26.9 miles of light rail service. Annual ridership is approximately 28 million. The transit system includes 31 light rail stations, 9 bus and light rail transfer centers, 10 park-and-ride lots and 3,850 bus stops. RT's Light rail connects the cities of Sacramento, Rancho Cordova and Folsom and is designed to improve public transit service within a 16-mile corridor following Highway 50 between the Amtrak Station in downtown Sacramento and the City of Folsom.

RT's entire bus and light rail system is accessible to the disabled community. Additionally, through a contract with Paratransit, Inc., RT funds door-to-door transportation service for thousands of elderly and disabled Sacramento area residents who are unable to use conventional public transit services.

When planning for future development, RT uses "minimum guidelines" for station spacing that are based upon forecasted ridership and/or density models (population and employment) at or around proposed stations. An assessment is made, consistent with federal and RT policy, as to the expected level of transit-dependent population (as defined by median household income below the poverty level and auto ownership) will be within a ¼ or ½-mile radius (as determined by GIS application of most recent US Census data).

The Sacramento Area Council of Governments (SACOG) is an association of local governments in the six-county Sacramento Region. Its members include the counties of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba as well 22 cities incorporated within the counties.

SACOG provides transportation planning and funding for the region, and serves as a forum for the study and resolution of regional issues. In addition to preparing the region's long-range transportation plan, SACOG approves the distribution of affordable housing in the region and assists in planning for transit, bicycle networks, clean air and airport land uses.

Further actions to remove barriers to affordable housing are discussed on page 15.

HOME

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME or homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
 - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
 - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
 - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.

Program Year4 Action Plan HOME response:

SHRA administers the HOME program on behalf of the City of Sacramento. HOME funds will only be used for eligible activities as described in the HOME regulations (24 CFR § 92.205). During the 2011 Program Year, other forms of investment not described in §92.205(b) which the City may use for housing activities include CDBG, NSP, and other local funds.

24 CFR 92.205 (b) Forms of assistance:

(1) A participating jurisdiction may invest HOME funds as equity investments, interest-bearing loans or advances, non-interest-bearing loans or advances, interest subsidies consistent with the purposes of this part, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the purposes of this part. Each participating jurisdiction has the right to establish the terms of assistance, subject to the requirements of this part.

(2) A participating jurisdiction may invest HOME funds to guarantee loans made by lenders and, if required, the participating jurisdiction may establish a loan guarantee account with HOME funds. The HOME funds may be used to guarantee

the timely payment of principal and interest or payment of the outstanding principal and interest upon foreclosure of the loan. The amount of the loan guarantee account must be based on a reasonable estimate of the default rate on the guaranteed loans, but under no circumstances may the amount on deposit exceed 20 percent of the total outstanding principal amount guaranteed; except that the account may include a reasonable minimum balance. While loan funds guaranteed with HOME funds are subject to all HOME requirements, funds which are used to repay the guaranteed loans are not.

In addition to the forms of assistance outlined in §92.205(b), SHRA may use HOME funds to Purchase Affordability Covenants (Purchase of Covenants) in the 2010-2011 Program Year). This form of assistance will provide developers with permanent financing after the construction of the project in exchange for the developer's recordation of the appropriate HOME affordability restrictions. The amount of assistance provided to each project will be derived in a manner consist with our Multifamily Lending and Mortgage Revenue Bond Polices and will be based on the project's financial gap.

Home Guidelines For Resale Or Recapture Of Subsidy

The City of Sacramento will continue to loan HOME funds to assist low- to moderate income homebuyer applicants under its First Time Homebuyer Program. HOME loans are secured with a recorded trust deed and a promissory note. The City has elected to use both the recapture and resale options to comply with the "Period of Affordability" requirement under §92.254 of HOME rules. The City's recapture and resale clauses are included in the City's security documents for HOME-funded loans and identify the events that trigger either recapture of City HOME funds or resale of the home to a low-income purchaser at an affordable price.

The terms of recapture are structured after the HOME Program Period of Affordability requirement and are based on the amount of HOME subsidy provided to the borrower. If the recapture method is chosen, the City will recapture the amount then due on the Loan, including all principal and interest.

Resale provisions shall be followed if a new homebuyer qualifies for a loan under the HOME Program and the First-Time Homebuyer Program, and intends to occupy the property as their primary residence. To qualify for a loan, the buyer shall have a household income (as adjusted for the buyer's household size) which does not exceed eighty percent (80%) of the median income for the Sacramento Metropolitan Statistical Area as determined by HUD, and shall agree in writing to loan terms established by the Sacramento Housing and Redevelopment Agency.

Home Multi-Family Refinancing Guidelines

SHRA will permit the use of HOME funds to refinance existing debt on a multifamily housing development under the following conditions:

1. Purpose

- Refinancing shall maintain current affordability and/or create additional affordable units.

- Refinancing shall be conditioned on adoption of management practices that will ensure the housing's long term habitability and sound financial operations.
- Tenant services will be required of all projects which include involvement by a non-profit owner and will be encouraged in other projects. Types of tenant services include after-school programs for children, English as a second language classes, job training/development and placement assistance, day-care, counseling, parenting classes, other activities appropriate to the population housed.

2. General Eligibility Rules

- Multifamily developments within the City and County of Sacramento will be eligible for refinancing. Priority will be given to acquisition and rehabilitation of deteriorated properties including preservation of existing "at-risk" affordable housing.
- HOME funds may not be used to refinance multifamily loans made or insured by any Federal program. Projects with non Federal loans in the senior position, and HOME loans in the subordinate position, may refinance only the senior loan with the Agency's permission.
- Applications for refinancing will be subject to SHRA's Multifamily Lending Guidelines. Applications are accepted on a quarterly basis and are reviewed according to the standards outlined, including requirements for a rehabilitation scope of work and cost estimates. SHRA's Housing Finance Division's loan underwriting standards will be used to determine the feasibility of the refinancing plan.

3. Rehabilitation Requirements

- Rehabilitation must be a component of any refinancing activity. Rehabilitation requirements are below:
 - Projects must provide substantial rehabilitation of at least \$15,000 per unit of hard construction costs excluding overhead, profit, and general conditions.
 - All major systems have an expected life of at least 15 years upon completion of the renovation.

4. Affordability Requirements

- Housing preserved through refinancing and rehabilitation shall carry a 55-year regulatory agreement that carries income and rent restrictions consistent with HOME program rules.
- At least 20 percent of all assisted units must be affordable to persons earning no more than 50 percent of the area median income; the balance of assisted units shall house persons earning no more than 65 percent of the area median income.

5. Management Practices

A thorough review of the applicant's management practices and financial records will be part of the application process to determine that no distributions or withdrawals of equity have taken place, and that the property's operating costs are reasonable and comparable to similar projects. The project's income and expense statements and owner's tax returns will be required as part of the application package.

If deficiencies are found in the property's management systems (financial, maintenance, work order efficiency, tenant screening, etc.), SHRA may require the replacement of the property manager or place other conditions to ensure that the physical and financial needs of the housing in question are met.

Outreach to Minority/Women Owned Businesses

The Procurement Division centralizes most of SHRA's construction bidding activities into a single administrative unit. The Division is also responsible to provide effective outreach for both M/WBE and Small Business utilization.

HOMELESS

Specific Homeless Prevention Elements

- 1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.**
- 2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.**
- 3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.**
- 4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.**
- 5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.**

Program Year4 Action Plan Special Needs response:

1. Source Of Funds

Over \$23 million has been budgeted to assist the homeless program in 2011. The following sources of funds will be used to address homeless issues in the City and County of Sacramento for year 2011:

- a portion of CDBG entitlement funds
- Federal resource funds including ESG, HOPWA, Homeless Prevention and Rapid Rehousing (HPRP), TANF ECF, Supportive Housing Program and Shelter Plus Care
- local funds from the City of Sacramento, the Sacramento Housing and Redevelopment Agency, the City of Citrus Heights, the County of Sacramento
- State funds provided through the Mental Health Services Act

Portions of the funds are from the Homeless Prevention and Rapid Re-Housing Program (HPRP). On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act), which includes \$1.5 billion, one-time funding, for a Homeless Prevention Fund. Funds for this program are being distributed to 540 entitlement cities, counties and states based on the formula used for the Emergency Shelter Grant (ESG) program. The HPRP funds have their own regulations and are not apart of the ESG program. In Sacramento County, almost \$4.8 million will be allocated, as follows:

- City of Sacramento \$2,375,126
- County of Sacramento \$2,396,773

Building on academic research and successful local practices, HPRP is intended to prevent homelessness, divert people from shelters, and quickly re-house those who become homeless. Homeless families and individuals as well as those who would become homeless “but for” this assistance are eligible. HPRP can provide short-term financial assistance with rent, utilities or deposits and can assist participants to retain or find housing. HPRP recognizes that some may need assistance for a month or two while others may need longer to achieve stable housing after the program concludes.

The HPRP Program launched on October 1, 2009 with funding expenditure targets for 2011 and 2012.

All preexisting homeless funds, public and private, will continue to be utilized for the jurisdiction’s current and proposed Continuum of Care programs. The new funding provided by HPRP is being utilized to create a new homeless prevention and rapid rehousing program. This program will utilize a system of central intake and assessment to ensure clients are immediately provided with concrete assistance through one service portal. This system will prevent lapses into homelessness and guarantee the provision of appropriate services. While clients will have access to a network of supportive services, the primary focus of the program will be on housing stability. Any new funding acquired through McKinney-Vento will be used to create additional beds in permanent supportive housing programs.

Also refer to the Other Resources attachment and the 2011 Proposed One-Year Action Plan Activities located in the CPMP 2.0 Year 4, Additional Files. - Attachments.

2. Homelessness

Objectives directed to Homelessness in the 2008-2012 City and County Consolidated Plans are to: 1) support efforts to develop/continue the Continuum of Care System for homeless through the provision of emergency shelters, transitional housing, and permanent supportive housing services, including housing for the chronically homeless, and, 2) provide community and supportive services for low- and moderate-income persons and those with special needs, including the homeless and persons living with HIV/AIDS.

Currently, DHA is the grantee of most of the SHP CoC grants. Due to County budget problems funding has significantly decreased, causing a loss of staff related to the administrative functions of the grant. To alleviate this problem the community has received Technical Assistance from HUD and is working with the community to strategize and plan for when DHA is no longer able to maintain these positions.

Despite these challenges to the community, DHA is continuing to meet the priority needs for the homeless by providing supportive services and is starting up new permanent supportive housing programs in 2011 as well as new programs that opened in 2010.

The St. John's Permanent Supportive Housing Program became operational April 2010 and serves a minimum of eight families. Mutual Housing at the Highlands began construction in April 2010, and is expected to be completed in July 2011. The project will serve 66 homeless persons, 21 of which will be chronically homeless. The Budget Inn, now renamed Boulevard Court, has begun construction and is expected to be completed in March 2011. The project will serve 74 homeless and disabled persons, 14 of which will be chronically homeless. The Folsom Oaks project, a non McKinney-Vento complex, will serve five homeless families and is scheduled to open in 2011. The Sacramento City Council and County Continuum of Care was conditionally awarded funding for the 16th Street Program from the 2009 grant competition. This program, when funded and completed, will provide 40 units of housing for primarily chronically homeless and disabled individuals living on the streets. In addition, the Sacramento City and County Continuum of Care expects to apply for new funding for permanent supportive housing in the 2010 McKinney-Vento grant application.

ESG funding along with funding from the County of Sacramento will continue to provide assistance for emergency shelter needs for homeless persons throughout the City and County of Sacramento. The community is continuing to work on a plan for additional winter shelter beds during inclement weather. To strategize around the loss of local funding that was used in the past for winter shelter beds, new partnerships are being developed with the faith-based community to address the issue.

As part of the 2011 Action Plan, CDBG, ESG, and HOPWA funding is expected to continue for established programs such as the Comprehensive Alcohol Treatment Center, North A Street Emergency Shelter, and numerous HOPWA programs. Lutheran Social Services (LSS) Management will also be receiving a small amount of CDBG funding to

provide administrative functions for their Transitional Housing Program for Families and for the Building Bridges Program.

The potential obstacles in completing the action steps for the new projects are timing of the sources of funding, sources and availability of the funds and restrictions on uses of the funds. Other obstacles for completing the action steps are siting of projects and finding new funding sources for much needed additional supportive services and other funding gaps. Most service providers are operating with renewed HUD grants. Since these grants do not have a cost of living adjustment it is particularly challenging to operate viable programs at funding levels that are often many years old. The final obstacle is obtaining public support for the projects in the respective communities.

In addition to local government assistance, nonprofits continue to provide homelessness prevention programs. An example is Sacramento Self Help Housing, Inc. (SSHH) which provides supportive services for clients enrolled in the Keys to Hope Program for chronically homeless individuals.

3. Chronic Homelessness

The current Chronic Homeless Objectives and Action Steps are listed in the Sacramento Continuum of Care funding application previously submitted to the U.S. Department of Housing and Urban Development in 2011.

Ten Year Plan to End Chronic Homelessness

Implementation of the Ten-Year Plan to End Chronic Homelessness has been successful over its initial three years, housing 515 chronic homeless individuals in permanent supportive housing and chronic homelessness decreased 35 percent from 2007 to 2009. The Ten Year Plan to End Chronic Homelessness was rebranded and reorganized as Sacramento Steps Forward in 2010 and new three year goals were set, including a goal of creating 400 additional units of permanent supportive housing for chronically homeless individuals by 2013. Mutual Housing at the Highlands is scheduled to complete construction in early 2011, and will serve 66 homeless persons, 21 of which are chronically homeless. Finally, the Boulevard Park apartments (formerly the Budget Inn) is also scheduled to complete construction in early 2011, to serve 74 persons, 14 are to be chronically homeless. The Folsom Oaks project, a non McKinney-Vento complex will serve five homeless families and is scheduled to open in 2011. In addition, the Sacramento County Housing Authority will receive 75 Veterans Administration Supportive Housing (VASH) vouchers targeted to chronic homeless individuals.

The Sacramento City and County Continuum of Care will be applying for additional new funding for permanent supportive housing projects in the 2010 grant competition. In addition to “traditional” sources of public financing, such as Mortgage Revenue Bonds, HOME and local redevelopment tax increment funding, these projects will require other sources of public subsidy such as Project-Based Housing Choice Vouchers, Veterans Administration Supportive Housing Vouchers and funding provided through California’s Mental Health Services Act. Other sources and programs that may be leveraged to build, operate, and provide necessary services in these projects include HUD’s Shelter Plus Care and Section 202 and 811 Programs.

The City and County of Sacramento are jointly undertaking initiatives and strategies, including new policies and programs to support the adopted Ten-Year Plan to End Chronic Homelessness. New initiatives for 2011 include:

- Conduct a fourth Project Homeless Connect Event, building on experience from the first three events, held in May 2008, 2009 and 2010.
- Produce new grant proposals for case management services and SSI advocacy.
- Perform an evaluation of the Supportive Housing Programs that will focus on cost savings to the community and outcomes of the clients.
- Expand the coordinated, community wide effort for benefits advocacy (i.e. social security disability/Medi-Cal) by providing SOAR training to additional staff) and measuring outcomes of this initiative.

The commitment to conduct a Point-In-Time Homeless Count every other year, and include more locations such as jails, hospitals and the detoxification centers

4. Homeless Prevention

In 2009, the City was awarded funding under the Homelessness Prevention and Rapid Re-housing Program (HPRP) from the federal ARRA. HPRP replaces a previously under-funded and fragmented collection of financial assistance and prevention services with a comprehensive and coordinated system. Expecting to serve 1,800 households over a two-year period, the original \$4.6 million in HPRP funds (approximately \$2.4 million in the City) were doubled with other public and private funds, including CDBG, CSBG, private foundation, tax increment, and TANF–ECF. Key components of Sacramento HPRP:

- Three core HPRP providers divide the county geographically and deliver consistent and comprehensive prevention and rapid re-housing services;
- Legal services provider prescreens all eviction cases for HPRP eligibility and furnishes eviction prevention legal services;
- 2-1-1 provider serves as intake point for general public and prescreens callers with a housing crisis for HPRP eligibility;
- All homeless shelter residents and CalWORKs clients with a housing crisis are prescreened for HPRP eligibility; and
- The entire HPRP team meets bi-weekly in a “learning community” to hone skills, evaluate results, improve delivery and modify the program policy.

Finally, HPRP not only directly helps clients but is transforming Sacramento’s homeless system from one organized around shelters to one centered on prevention and rapid return to housing stability. This shift has important long-term funding implications for Sacramento City and County and aligns with longer term policy goals.

In addition to HPRP, over 20 agencies, private and public, in Sacramento County offer homeless prevention services that include mortgage assistance, rental assistance, and utility assistance. Many more private and public agencies within the county offer counseling and advocacy services to assist individuals and families at risk of becoming homeless. Legal Services of Northern California provides defense against evictions to low-income households. Funding for these services come from a combination of Federal (including Community Services Block Grant), state, local, and private sources

The City and County have a number of policies and developments that are significant homeless prevention strategies including the City's Single Room Occupancy (SRO) hotel preservation and replacement policy and the City and County's Inclusionary Zoning policies.

5. Homeless Discharge Coordination Policy

The former Sacramento County & Cities Board on Homelessness (SC&CBoH) worked with the County of Sacramento's Joint Discharge Planning Working Group to develop a master policy to guide County institutions and systems of care to appropriately discharge clients. The County Board of Supervisors adopted a policy which states that discharge policies are to be formulated for all county-funded institutions and systems of care. Subsequently, the Working Group has identified county institutions and systems of care and reviewed their discharge policies. In January 2007, the SC&CBoH was replaced by the Policy Board to End Homelessness. This board serves a policy making function. Implementation of said activities is charged to the Interagency Council to End Homelessness and associated committees. Current discharge planning is focused on hospital, jail and prison discharge.

Hospitals:

In Sacramento a collaborative of the hospital systems, community based organizations and the county government have come together to create the Interim Care Program (ICP) - a respite care shelter for homeless patients discharged from hospitals. Kaiser Permanente; Mercy; Sutter Medical Center, Sacramento; UC Davis Medical Center; and the County of Sacramento provide on-going funding for the program.

The Salvation Army provides 26 beds (increased from 18 beds in 2010) in a designated wing of the shelter where clients have three meals a day and a safe, clean place to recover from their hospitalizations. The wing is wheelchair accessible and a place for residents to store their medications and wound care supplies.

Another community-based organization, The Effort, coordinates nursing and social services to support clients in their recuperation and help them move out of homelessness. The Effort case manager links clients with mental health services, substance abuse recovery, housing workshops and provides disability application assistance. The Effort also serves as the lead agency for the program.

Patients are referred from the hospitals to the Interim Care Program when they are stable enough to be discharged from the hospital, but need on-going rest and follow-up treatment. This program will be increased to 32 beds in 2011.

PARTICIPATING HOSPITALS

UC Davis Medical Center
Sutter Medical Center, Sacramento – Sutter General Hospital
Sutter Medical Center, Sacramento - Sutter Memorial Hospital
Methodist Hospital
Mercy General Hospital
Mercy Hospital of Folsom
Mercy San Juan Medical Center
Kaiser Permanente South Sacramento Medical Center
Kaiser Permanente Sacramento Medical Center

Sutter Medical Center invests \$400,000 in T3 Program in 2009. Sutter Medical Center and The Effort utilized these funds, Inc. to design a frequent users initiative for up to fifty emergency room patients that would appropriately “Triage” non-urgent patients in the emergency department, “Transport” these non-urgent patients 10 blocks to The Effort’s primary care clinic and “Treat” the patient with both primary medical and behavioral health ongoing treatment. Hence, T3 equals Triage, Transport and Treat. Over 70 percent of T3 Patients have been chronically homeless and this program has been used as a key private funding source of supportive services matched to permanent housing to assist in discharge and to further the goals of the Ten Year Plan. In 2011, Sutter Medical Center is expanding funding for the T3 program to allow it to serve up to 200 patients from its emergency department. In addition, The Effort will be greatly expanding its health services to chronically homeless people and indigent patients after receiving new funding as a Federally Qualified Health Center.

Reference the 2009 City and County of Sacramento Continuum of Care application previously submitted to the U.S. Department of Housing and Urban Development (HUD) office for further information.

For additional initiatives and strategies refer to the Ten Year Plan to End Chronic Homelessness previously submitted to the U.S. Department of Housing and Urban Development.

Criminal Justice Committee Discharge Policies & Procedures

Corrections (Local Jails and State Prisons):

Corrections (Sacramento County Jail): In late 2009, the Criminal Justice Cabinet sanctioned the creation of the Jails Discharge & Community ReEntry Taskforce [JD&CRT], in order to create model discharge planning policies and procedures for the Sacramento County Jail facilities, as well as align Sacramento County with the federal priorities of the United States Department of Justice’s funding, i.e., *Second Chance Act*. JD&CRT was established because currently there are no discharge policies for the County Jail unless the inmate is determined, upon release, to be mentally ill. Then the person is held for 72 hours for observation and then released “to the streets.” The focus of JD-CRT is to create discharge policies and procedures that focus on homeless prevention. Specifically, to identify homeless people and those at risk of becoming homeless upon release, while they are in jail and perform “in-reach” activities to work with

those inmates to identify housing and employment opportunities as part of a homeless prevention strategy.

JD&CRT is comprised of all the major stake holders, including Sacramento Sheriffs Department, Sacramento Police Department, Probation, District Attorney, Public Defender, Sacramento Department of Mental Health, Sacramento Housing and Redevelopment Agency, ParaTransit, and community organizations that work on the issues of substance abuse and mental health, transportation, employment, homelessness, as well as faith-based organizations, ex-offender networks and the business community.

JD&CRT identified the following subcommittees to identify what currently exists in the county as well as provide recommendations: law enforcement; housing, employment, transportation, education, mental health and substance abuse. The following is what currently exists in Sacramento County for each of these areas:

1. Law Enforcement: At the Rio Consumnes Correctional Center [RCCC], the HALT program works with only men who are in minimum security. Strategies for Change is contracted to provide one reentry specialist who provides workshops on anger management, money management etc for a 16 week voluntary and court-ordered to up to 120 men.
2. Housing: House of Hope has five room and board homes that houses male and female ex-offenders, including sex offenders. In addition, the Serial Inebriate Program houses 15 people. Additional housing options for ex-offenders [including sex offenders] includes Volunteers of America, Sacramento Self-Help Housing and local Single Room Occupancy Hotels [SRO's]
3. Employment: The Sacramento Employment and Training Agency [SETA] has four workforce One Stops that works with ex-offenders: Mark Sanders, Lemon Hill, South County and Broadway. In addition, several nonprofits also work with this population, including Golden Rule, Women's Empowerment, Goodwill and the Northern California Construction Training.
4. Education: There are six adult schools that provide educational services to this population [GED and vocational training], including Twin Rivers [no felons], Job Corps, Freemont School for Adults [no sex offenders], Winterstein Adult School, Elk Grove Adult and Community Education and Folsom Cordova Adult School.
5. Substance Abuse and Mental Health: While Sacramento County has seen deep cuts to both the county mental health and substance abuse programs, there are several nonprofits in the community that ex-offenders can access. For substance abuse, Loaves and Fishes operates Clean & Sober Living. In addition, The Effort operates the T-3 program. For mental health, Loaves and Fishes operates Genesis. Additional programs include, Guest House, New Directions, Carol's Place, Palmer, Pathways, El Hogar and Wellness Recovery Center.
6. Transportation: Francis House has a limited number of bus passes, 25, each month.

7. Miscellaneous: Legal Services of Northern California provides expungement services; Francis House provides identification services [birth certificates, California identification card etc]. Finally, Cal Grip provides services for youth released from probation centers, including vocational training, employment and academic services.

Recommendations in each of these areas include:

1. Law Enforcement:

- A. Downtown Jail:

- Providing information on where to go upon release/sentencing.
- A better data system, homeless flag.
- Identify frequent flyers but focus on type of crime to determine what type of service to provide.
- Follow them as they go through system.
- Person responsible – SSD Project Coordinator – position/person does not exist at this time.

- B. Rio Cosumnes Correctional Center (RCCC):

- Better data system/countywide data system.
- Provide connections to services/supports and housing.
- Liaison between institutions to services/supports.
- Email/website set up while in custody.
- While in custody, get social security card, id, CDL, birth certificate, job help.
- Person responsible – SSD Project Coordinator – position/person does not exist at this time.
- Need overall project coordinator to connect all the pieces and hold groups accountable, communicate regularly, etc.

2. Housing:

- Recreate “New Directions”.
- Housing needed for special populations- 290's; women and people with disabilities.

3. Employment:

- Employability pre-screening at the jail.
- Training programs in jail.
- Legal Services: expungement, identification services, right to work documents, child support, etc.
- Widely distribute information about “Work Opportunity Tax Credits” [WOTC] packets for employers.
- Identify job training programs at local educational institutions.

4. Transportation:

- Every client is discharged with a reasonable effort to coordinate exit with transportation to housing or shelter.
- Case worker partnered with client for transportation plan to be in place upon release.
- Work with county jail to coordinate discharge times with RT transit times. Identify funding to issue RT day passes at release.
- Explore the potential to contract with local cab companies for pickup upon release to predetermined destination within county limits.
- Coordinate with local bicycle advocacy groups who are willing to donate bicycles to clients upon release.
- Explore ongoing challenges regarding the management of transit passes for clients.
- Explore options for incentive programs which partner RT with local cab companies to provide “guaranteed rides” at fixed costs.
- Look into re-funding the return to residency program.

5. Education:

- Coordinate a universal intake process for all adult educational systems.

6. Substance abuse and mental health:

- Refund Redirections.
- Outreach: fund JPS advocate to do outreach and connect exiting inmates with resources.

- Community Substance Abuse Facilitator: facilitates recovery communities within existing housing.
- Reform ACCESS--- need to partner with CBO's to create a referral system that works for consumers and CBO's.

In April 2010, JD&CRT applied to the *Second Chance Act* request for proposal, focused on providing mental health and substance abuse services to women inmates at RCCC, as well as their family members in the community.

JD&CRT continues to seek funding opportunities to move to the implementation of the above recommendations.

The California Department of Corrections, Parole Services contracts with Heavens Gate Enterprises (HGE) to provide community orientation/reentry services in Sacramento County to Parolees from the State Prisons. HGE coordinates a weekly service fair for newly released parolees in collaboration with City Police, Parole Services and multiple agencies offering housing, employment, recovery services, veteran's services etc. at the Lemon Hill Skills Center complex in South Sacramento. HGE also has funding to secure housing for homeless parolees and has opened several housing programs. Parole Services in Sacramento has also contracted with WestCare to provide 90 days of aftercare to those parolees who participate in substance abuse services while incarcerated. WestCare also oversees 16 Parolee Service Network beds in Sacramento.

The New Choice Collaborative lead by MAAP, Inc. serves 200 non-violent ex-offenders per year and PRIDE Industries serves ex-offenders who participated in Prison Industry Authority programs while incarcerated. Parolees with severe and persistent mental illnesses also receive services from Parole Centers which provide psychiatric services upon reentry.

Reference can be made to the 2011 City and County of Sacramento Continuum of Care application previously submitted to the U.S. Department of Housing and Urban Development (HUD) office.

For additional initiatives and strategies refer to the Ten-Year Plan to End Chronic Homelessness previously submitted to HUD.

COMMUNITY DEVELOPMENT

Program Specific Requirements

1. **Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.**
2. **Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.**

Program Year4 Action Plan Community Development response:

The total amount of CDBG funds allocated for projects, programs and delivery costs equals the amount of the anticipated grant amount plus program income and any carryover funds. All public service, planning and administration activities are eligible if they meet a national objective, and are within the 15 percent and 20 percent funding caps. All CDBG capital improvement, housing, commercial revitalization, and economic development activities are expected to be completed within 18 months while public service and planning activities are to be completed within 12 months of receiving the grant entitlement.

SHRA staff will work on a variety of projects from infrastructure development, public facility improvements, developing affordable housing incentives and commercial development. In 2008, SHRA as authorized by the City Council, began aggregating and/or leveraging funds towards large shovel-ready projects to better maximize the impact of community development funding.

The Housing and Community Development Department will continue to stimulate business and employment growth in Sacramento's older commercial areas. In 2011, the Department will continue to underwrite and originate loans for commercial projects and address the need to upgrade commercial buildings in older commercial corridors in the City.

In 2011, SHRA will implement capital improvement projects that include: streetscape, public facility and various park improvements located in CDBG income eligible areas in the City.

Specific long-term and short-term needs and objectives are listed in the Needs Table of the City Consolidated Plan previously submitted to the Department of Housing and Urban Development Department.

For short-term objectives please refer to Attachment 1, 2011 Proposed Activities located in the folder titled CPMP 2.0 Year 4, Additional Files – Attachments.

Antipoverty Strategy

1. **Describe the actions that will take place** during the next year to reduce the number of poverty level families.

Program Year4 Action Plan Antipoverty Strategy response:

SHRA will collaborate with the City and County to continue efforts to reduce the number of families and individuals living in poverty. Staff will focus primarily on supporting programs that raise household incomes and stabilize housing situations. It also supports the HUD McKinney Vento Grant for which DHA will apply, in hopes of receiving the maximum amount available to support the development of affordable housing for homeless persons to make the transition to permanent housing and independent living.

Poverty Data

In June 2010, the State of California, Department of Housing and Community Development published the Official State Income Limits for 2010. Sacramento County is shown as having a median income of \$73,100 (four person household); extremely low-income is shown as \$15,400 for a single person household, \$21,950 for a four person household and \$29,000 for an eight person household.

In August 2010, the Federal Poverty Guidelines were released by the United States (US) Department of Health and Human Services defining poverty as income of \$10,830 or less for a single person household, \$22,050 or less for a four person household, and \$37,010 for an eight person household.

In September 2010, the US Census Bureau released data on poverty in the US. Per the September report, the US poverty rate in 2009 was the highest since 1994, but was 8.1 percentage points lower than the poverty rate in 1959, the first year for which poverty estimates are available. The number of people in poverty in 2009 is the largest number in the 51 years for which poverty estimates are available.

The following table shows poverty percentages of all ages for the US and California for the 2008 and 2009.

	2008	2009
US	13.2%	14.3%
California	14.6%	15.3%

The US Census Bureau's most recent poverty rate for the City of Sacramento is 63,386 persons or 14.3 percent of the population (source: www.census.gov).

Poverty Reduction Strategy

Eliminating poverty is a clear concern of the City and County. Efforts are constantly underway to improve the quality of life and economic well being of the residents through collaborative efforts of the following agencies and their programs:

Agencies:

- Sacramento Employment & Training Agency (SETA), a joint powers agency of the City and County of Sacramento has been an effective force in connecting people to jobs, business owners to quality employees, education and nutrition to children, assistance to refugees, and hope to many Sacramento area residents. Annually, SETA serves over 45,000 customers.

The following programs provide needed skills for individuals seeking jobs and thereby getting them out of poverty:

- One Stop Career Center System is designed to offer universal access to customers through a system of Sacramento Works One Stop Career Centers. The Centers integrate employment, education, and training resources from over 17 federally funded, employment and training-related programs, and offer an array of services designed to enhance the effectiveness and coordination of employers and job seekers.
- Regional Occupational Program (ROP) offers free job training through the Sacramento County Office of Education (SCOE). ROP classes are open to anyone 16 years of age or older. In fact, only 35 percent of their students are adults. (While high school students are given enrollment priority before adult students, adult enrollment is allowed on a continuous basis for all sessions until filled.)
- SCOE plays a leadership role in the delivery of quality education to the students in Sacramento County. SCOE directly educates more than 30,000 children and adults, and provides support services to over 230,000 students in 16 school districts

Other organizations working to assist families and individuals living in poverty include: Sacramento Valley Organizing Committee, Sacramento Housing Alliance, Human Rights Fair Housing Commission, Transitional Housing and Community Support and Sacramento Mutual Housing Association.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year4 Action Plan Specific Objectives response:

The priorities and specific objectives the jurisdiction hopes to achieve during the 2011 Action Plan will use City and County CDBG funding and leverage funds to provide 80-beds for a 72-hour hold of public inebriates, 32-beds for a 60-day recovery program and

up to 10 beds for mandatory court ordered 90-day recovery program for serial inebriates. The aforementioned services will be provided at the Comprehensive Alcohol Treatment Center operated by the Volunteers of America.

The programs at the Comprehensive Alcohol Treatment Center will be funded during the 2011 Action Plan year with City and County CDBG; and City and County General Funds.

HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS (HOPWA)

- 1. Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.**
- 2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.**
- 3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.**
- 4. Report on annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.**
- 5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.**
- 6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.**
- 7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.**
- 8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.**
- 9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.**

Program Year4 Action Plan HOPWA response:

1. Description of the Organization and Programs

The City of Sacramento is the recipient of the Housing Opportunities for Persons with Aids (HOPWA) funds for the Eligible Metropolitan Statistical Area (EMSA) serving the geographic areas of Sacramento, El Dorado and Placer and Yolo Counties. The City contracts with the DHA to administer the HOPWA funds throughout the EMSA. DHA also provides assistance to local residents such as cash aid, Food Stamps, Medi-Cal, and homeless programs including emergency shelters.

In 2011, DHA anticipates continuing the following programs to provide housing with supportive services to HOPWA eligible individuals and their families:

- AIDS Housing Alliance (AHA) provides transitional housing in Sacramento at Hidden Cove, and permanent housing with supportive services in Sacramento at Steven Place, and Hidden Cove. The Colonia San Martin site became operational in December 2008. Colonia San Martin provides permanent housing with supportive services. The Interim Executive Director of AHA is James R. Green.
- The Center for AIDS Research, Education and Services (CARES) provides the Short-Term Rent, Mortgage and Utilities Assistance (STRMU) program in Sacramento. The Executive Director is Bob Kamrath.
- Communicare Health Centers administers the STRMU program for Yolo County. The Executive Director is Robin Affrime.
- The County of El Dorado Public Health Services administers the STRMU program for the County of El Dorado. Sierra Foothills AIDS Foundation (SFAF) is the service provider, Susan Farrington is the Executive Director of SFAF.
- CARES replaced the MAAP contract that provides non-facility-based case management to HIV/AIDS individuals in Shelter Plus Care and other housing situations within Sacramento. The new contract with CARES became effective March 1, 2010. MAAP still provides permanent supportive housing at Las Casitas, currently in stewardship. Lorraine Rinker is the Chief Executive Officer for MAAP.
- Mercy Housing of California provides two units of permanent supportive housing for families at Serna Village within Sacramento. Hanan Bowman is the Senior Asset Manager.
- Placer County Department of Health and Human Services administers the STRMU program for Placer County. Sierra Foothills AIDS Foundation (SFAF) is the service provider, Susan Farrington is the Executive Director of SFAF.
- Transitional Living and Community Support (TLCS) provides permanent supportive housing and services in a community residence at Southside House/"T" Street Co-

op for individuals with mental health issues and HIV/AIDS in Sacramento. Michael Lazar is the Executive Director of TLCS.

- Volunteers of America (VOA) provides transitional short-term supportive housing facility in Sacramento at Open Arms. The President and CEO of VOA is Leo McFarland.

Due to ongoing County budget problems within DHA, funding has significantly decreased causing a loss of staff related to the administrative functions for Homeless programs. As a result, a new TBRA/Permanent Placement program, planned for implementation in 2010, could not be put in place. The \$16,000 funding set aside for this was reallocated to CARES, El Dorado and Placer Counties to expand their scope of services to their clients. It is unlikely that DHA will acquire additional staffing, so initiating any TBRA/Permanent Placement programs in this EMSA will be put on hold. New efforts will be directed at increasing available mental health services until staffing is available to successfully implement these two housing components.

2. Special Needs

Non Homeless

HOPWA housing programs in Sacramento, El Dorado, Placer and Yolo Counties will continue to provide STRMU assistance to keep individuals and families in their current residences, preventing homelessness and addressing their short-term need for financial assistance, which may be a direct result of the current economy, and their health and ability to generate income.

All of the HOPWA permanent, transitional, and STRMU housing programs will provide case management, health referrals and other supportive housing services to restore self-sufficiency to the eligible participants. In addition, CARES, El Dorado and Placer counties will add a component of mental health treatment services to its STRMU programs, as the community faces the possibility of the closure of several local mental health clinics.

In 2009 and 2010, Yolo County added outreach services to its STRMU program in order to increase public awareness of the program. There is a large migrant population in Yolo County that might not otherwise be aware of the STRMU services. This activity will continue in 2011.

Homeless

Special needs of previously homeless, mentally ill HIV/AIDS clients are addressed at Southside House/"T" Street Co-op through referrals to psychiatric programs and case management.

Open Arms will continue to address the special needs of homeless HIV/AIDS individuals with alcohol and other drug problems by providing 90 days of temporary housing with case management and housing assistance to link individuals to transitional and permanent housing as well as referral to local rehabilitation programs.

3. Progress In Meeting Specific Objectives

The goals set in the 5-Year Consolidated Plan period for 2008 to 2012 for Sacramento includes these objectives and outcomes for HOPWA:

STRMU – Goal: Provide stability in decent affordable housing, by helping individuals and their families stay in their current housing by providing limited assistance with rent, mortgage and utility payments. Yolo County will continue to include Outreach as a supportive service in 2011 to build their client base for HOPWA, outreach specifically to the significant indigent migrant population, and to educate the outlying areas about STRMU services available in Yolo County.

Permanent Supportive Housing – Goal: Provide accessible and affordable housing through acquisition and construction. Colonia San Martin provides 40 units for HOPWA participants within a 60-unit complex. The additional 20 units provide housing for low-income individuals or families with or without HIV/AIDS, and are funded from other sources. In 2010, AIDS Housing Alliance (AHA), which operates Colonia San Martin, requested funding to assist with the operation of the facility, and it is likely that funding will continue on a yearly basis.

Permanent Housing that is accessible and affordable ended stewardship for six units at Hidden Cove as of August 2010, and 16 units at Steven Place as of January 2010. Four units at Las Casitas will continue stewardship until June 2012, and nine units at Southside House/"T" Street Co-op will continue stewardship until September 2016. Note: Steven Place requested and received funding in March 2010 for Operations. Also, Southside House/"T" Street Co-op is currently funded by HOPWA for supportive services; however, the stewardship obligation still exists on that site until September 2016.

Transitional Housing in Sacramento is in its final years of HOPWA stewardship. Three units of transitional housing at Hidden Cove ended stewardship in August of 2010.

4. HOPWA Output Goals

(1) In 2011, this EMSA will serve 409 households by providing Short-Term Rent, Mortgage and Utilities Assistance (STRMU). The specific outcomes by number of households assisted are:

- CARES will provide assistance to 231 households in Sacramento.
- Communicare will provide assistance to 58 households in Yolo County.
- Sierra Foothills Aids Foundation will provide assistance to 57 households in El Dorado County.
- Sierra Foothills Aids Foundation will provide assistance to 63 households in Placer County.

(2) There are currently 89 units in housing facilities in this jurisdiction, which include:

- Southside house with nine housing units
- Las Casitas with four housing units
- Steven Place with 16 permanent housing units

- Hidden Cove with six units of permanent and three units of transitional housing.
- Open Arms with a 12 bed emergency housing facility
- Serna Village with two permanent housing units
- Colonia San Martin with 40 permanent supportive housing units

The HOPWA Case Management program will continue to provide case management services to 30 individuals in Shelter Plus Care and 30 individuals in other housing situations. The provider for these services is now CARES, as the MAAP contract ended February 28, 2010, and was not renewed.

All programs offer supportive services to aid the clients in securing improved access to care through referrals to other agencies such as health care providers and counseling services, and achieving housing stability thereby reducing the risk of homelessness.

5. Use of Leverage Resources

Leveraged funds for 2011 included: Ryan White, HOME, State AIDS Case Management and Health Medi-Cal Waiver, local redevelopment and tax credit funds, County funds, private donations and project sponsor funds. Approximately \$1.9 million was leveraged in 2008 to support HOPWA housing and related services, this was less than the \$2.8 projected in the 2008 Action Plan. In 2009, only \$793,052 was leveraged, due to the absence of approximately \$1.2 million in tax credits over 2008. The 2010 provider reports at mid-year tallied up \$382,796 leveraged funds, for a projection of \$765,592 for the entire 2010 reporting period. Based on the sharp decline in leveraged funds due to the current economic downturn, it is difficult to predict an exact leveraging amount for 2011, with many funding sources having been thus far negatively impacted.

6. HOPWA Fund Distribution

The HOPWA funds for 2011 will be distributed as follows:

STRMU/Short-term

Sacramento City and County	\$124,000
El Dorado County	\$41,000
Placer County	\$48,000
Yolo County	\$40,000

Permanent Housing

Colonia San Martin	\$57,000
Southside House/"T" St. Co-op	\$28,000

Transitional Housing

Open Arms	\$44,000
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Supportive Services

Open Arms	\$246,000
Colonia San Martin	\$85,000
Southside House/"T" St. Co-op	\$55,000
HOPWA Case Management	\$77,000

Project Sponsor Administration

Open Arms	\$22,000
Sacramento County STRMU/MH	\$4,000
El Dorado County STRMU/MH	\$4,000
Yolo County STRMU	\$3,000
HOPWA Case Management	\$2,000
Southside House/"T" Street Co-op	\$6,000

New mental health services component to existing programs:

Sacramento City and County	\$15,000
El Dorado County	\$4,000
Placer County	\$4,000

Current needs assessments indicate that communities in our EMSA are in need of mental health services, pending imminent cuts to existing mental health providers. Funding was increased in 2010 to CARES, El Dorado County and Placer County to provide this service, and will continue into 2011.

7. Barriers

The barriers include:

- a lack of affordable housing
- a lack of housing availability
- limited Housing Choice Vouchers
- the economic downturn and its effect on the housing market
- limitations on securing housing due to low income levels of clients
- health issues such as mental health, poor health and/or substance abuse problems
- inability to house participants when there is a history of poor credit and evictions
- extreme winter weather in El Dorado County which hampers employment opportunities, increases utility costs, and a lack of emergency shelter that leads to disease progression and costly hospitalizations
- increasing rents and a lack of low income housing in Placer County
- ambiguous regulatory language makes it difficult to interpret the intent of the program
- severe cutbacks in local funding as a result of the current budget crisis, including staffing cuts, limits our ability to cover the extensive reporting requirements on limited administrative HOPWA funding

These barriers increase the likelihood for homelessness, and create obstacles in placing HOPWA clients in affordable housing.

Actions in response to barriers:

In 2010, CARES, Southside House/"T" St Co-op, Steven Place, El Dorado County and Placer County requested and received increased funding for their core services. The numbers of clients reporting for services was increasing due to the poor economic situation, creating a higher need. Also, the HIV/AIDS community has a need for increased Mental Health services, and CARES, El Dorado County and Placer County received additional funds just for this purpose. CARES anticipates serving an additional 21 unduplicated clients with an intensive day treatment program for people with severe and persistent mental health problems who otherwise would not be receiving care. Their plan is to offer three hours per day, four days per week for groups of 8-12 individuals. The program will be supervised by psychiatrists with extensive day treatment experience. The goal of this program is to stabilize seriously mentally ill people so that they can maintain their housing and stay in medical care.

El Dorado and Placer Counties anticipate serving 20-30 clients each using a similar format. They will offer facilitated mental health focused group counseling using the CARES model, and may use CARES-trained facilitators or a Licensed Clinical Social Worker.

The EMSA will continue to provide utility assistance in El Dorado County and refer participants to other available utility assistance programs.

Placer County is working with the Placer Consortium on Homelessness (PCOH) to encourage development of additional affordable housing units. PCOH has reviewed the housing elements for each of the jurisdictions and has made suggestions to encourage the building of new units. All of these elements identify how difficult it is for median-income families to afford housing. Zoning and Planning Commissions regulations continue to make feasible changes unlikely. Mercy Housing is building a new complex for seniors, but no other low-income developments are in the near future. PCOH is currently focusing on Homelessness Prevention and Rapid Re-Housing Program funding.

DHA is waiting for the release of the new HOPWA regulations to alleviate the ambiguous regulations that currently exist.

Recommendations for program improvement:

With increased HOPWA funds received in 2009 and 2010 DHA increased numbers served and housing availability. We anticipate an increase in 2011 based on the increase in HIV/AIDS cases in this EMSA which have historically been on the rise.

8. Expected Trends

Expected trends facing the community:

- Housing prices have not risen since they dropped 30 percent in this EMSA in 2008/2009; however, there has been no corresponding decrease in rental rates. Rental units remain unattainable for homeless persons with HIV/AIDS.
- Providers reported HIV/AIDS cases are increasing in this EMSA.

- Persons in the rural counties of El Dorado and Placer have difficulty accessing mainstream services due in part to poor public transportation in those counties.
- The need for emergency and other housing resources for homeless persons with HIV/AIDS is increasing, and case workers do not have sufficient resources to meet those needs.
- A rise in the number of clients needing mental health services due to the anticipated funding cuts and resultant closure of several local area mental health providers.

Administration of services to people with HIV/AIDS:

The services administered to the HIV/AIDS population include providing clients with decent affordable housing, assisting them in achieving stability in their housing choices, and providing case management services to this at-risk population.

The contractual outcome, or focus of Open Arms Emergency Shelter for persons with HIV/AIDS, will be securing stable housing for 25 percent of their exiting program participants. Through cooperative efforts, housing specialists in other agencies are focusing on obtaining housing for this population.

HOPWA funds that in prior years were spent on the acquisition and construction of Colonia San Martin are now available for housing assistance programs, permanent and transitional housing programs, related supportive services, and the expansion of mental health treatment services.

Yolo County has increased its outreach efforts to include the migrant workers, to locate and serve this population. El Dorado and Placer officials are aware of the poor public transportation issue. However, the issue is not likely to be resolved in 2011, due largely to the current economic crisis. Due to the bleak economic outlook, no improvements in those services are planned in the near future, and cuts in public transportation have been implemented in Placer County as a result.

9. Evaluations & Studies

DHA staff meets monthly with the HOPWA Advisory Committee consisting of the HOPWA providers to discuss funding and program issues, current needs, supportive services, operations, and other emerging issues. HOPWA providers participated in a funding needs analysis for 2010 through an on line survey and a budget discussion meeting that addressed these issues.

The HOPWA Advisory Committee determined there was a rising need for increase mental health treatment services. As the result of impending cuts to several mental health programs in the region, some HOPWA providers felt the need to offset this loss by focusing on adding or increasing these services in their agencies. Additional HOPWA funding will help these providers increase the services available.

DHA will continue to use surveys and monthly meetings as tools for gathering information from the providers on housing and supportive services needs in this EMSA.

DHA staff performs individual provider analysis on the monthly reports at the six-month mark, to determine the efficiency of the HOPWA programs in providing services in a timely manner and proper utilization of funds. It also reveals inaccurate trends that need to be corrected. This analysis will continue in 2011.

The Community Services Planning Council conducts housing needs survey every two years. In 2010, DHA provided input to add questions to the current survey that would identify additional housing needs for persons with HIV/AIDS. DHA intends to continue involvement in this process for future housing needs surveys in 2011.

Other Narrative

Affirmatively Further Fair Housing

Analysis of Impediments - SHRA began updating the Analysis of Impediments (AI) to Fair Housing Choice in 2009 and will adopt the new AI in 2011. This planning document will identify the most significant barriers to fair housing choice in the City and County and outline specific steps for the City and County to address and overcome the effects of any impediments. This analysis has been a comprehensive review accounting for changes in the market since the onset of the housing collapse in 2008.

ATTACHMENT 1: 2011 ONE-YEAR ACTION PLAN ACTIVITIES

ATTACHMENT 2: OTHER RESOURCES

ATTACHMENT 3: CITY ENVIRONMENTAL REVIEW

ATTACHMENT 4: CITIZEN PARTICIPATION PLAN

**HUD SF-424s and CERTIFICATIONS
(CDBG, HOME, NSP, ESG and HOPWA)**

APPROVING RESOLUTION, PUBLIC NOTICE REQUIREMENT

MAPS

CITY

DESCRIPTION OF ACTIVITIES - PROJECT PAGES