



NOTICE OF REGULAR MEETING

**Sacramento Housing and
Redevelopment Commission
Wednesday, October 2, 2019 – 6:00 pm
801 12th Street Commission Room
Sacramento CA**

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

While the Commission welcomes and encourages participation in the Commission meetings, please limit your comments to three minutes, so that everyone may be heard. If you wish to speak under Citizens Comments or on a posted agenda item, please fill out a speaker card and present it to the Agency Clerk. SHRA provides opportunities for the public to address the Commission at this time in order to listen to opinions regarding non-agendized matters within the subject matter jurisdiction of SHRA. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be "question and answer" periods or conversations with Commission members. Members of the public with questions are encouraged to contact staff before or after the meeting. Commission attendees are requested to silence any electronic devices that they have in their possession during the meeting.

APPROVAL OF MINUTES – September 18, 2019

PUBLIC HEARING

1. Authorize the Submission the Analysis of Impediments (AI); Adopt the 2020-2024 Consolidated Plan; Approval of the 2020 One-Year Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Funded Projects and Programs; Amendment of Prior Years' Action Plans; Amendment to the Sacramento Housing and Redevelopment Agency (SHRA) Budget; and Other Related Actions – City Report
2. Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process – County Report

DISCUSSION/BUSINESS ITEMS

3. Authorization to Enter into Development Services Agreement with the Sacramento Housing Authority Repositioning Program, Inc. (SHARP) for the Rental Assistance Demonstration (RAD) Project – City Report
4. Authorization to Enter into Development Services Agreement with the Sacramento Housing Authority Repositioning Program, Inc. (SHARP) for the Rental Assistance Demonstration (RAD) Project – County Report

PRESENTATIONS

5. Development Department Budget Overview

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

REPORTS: Copies of documents relating to agenda items are available for review in the Agency Clerk's office located at 801 12th Street, Sacramento CA 95814. Agendas and reports are also posted online at www.shra.org. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Agency Clerk's office during normal business hours and will also be available at the meeting. **AMERICANS WITH DISABILITIES ACT:** Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



MINUTES

**Sacramento Housing and Redevelopment Commission (SHRC)
Meeting of September 19, 2019
Meeting noticed on September 13, 2019**

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:05 p.m. by Chair Morgan.

MEMBERS PRESENT: Boyd, Griffin, Macedo, Morgan, Nunley, Starks

MEMBERS ABSENT: Alcalay, Staajabu, Wedding (two vacancies)

STAFF PRESENT: La Shelle Dozier, David Levin, James Shields, Angela Jones, Suzie Jackson, Tyrone Williams, Sarah O'Daniel, Karen Wallace, Christine Weichert, LaTan Jones, Lira Goff, Cecette Hawkins, Maria Avdalas, Julius Austin, Mark Hamilton, Ibra Henley, Tanya Tran, Cheyenne Caraway, Victoria Johnson, Diana Pop, James Brock, Tanya Cruz, Greg Potts, Marc Ledet

APPROVAL OF AGENDA

Approved as submitted.

CITIZENS COMMENTS

Jeffery Tardaguila of Disability Organizing Group For Initiating Total Equality (DOGFITE) provided comment regarding Paratransit and the Sacramento Area Council of Governments board meeting.

APPROVAL OF MINUTES – The September 4, 2019 minutes were approved as submitted.

SPECIAL PRESENTATION

1. SEEK Summer Program Overview

Julius Austin presented the item.

CONSENT

2. Twin Rivers Transit Oriented Development And Light Rail Station Project Update Report; Approval Of An Infrastructure Construction And Reimbursement Agreement For Blocks A, B C, D, & E
3. Sacramento Housing and Redevelopment Agency Comprehensive Annual Financial Report For The Year Ended December 31, 2018 – City Report
4. Sacramento Housing and Redevelopment Agency Comprehensive Annual Financial Report For The Year Ended December 31, 2018 – County Report

Commissioner Griffin motioned to approve the items listed above. Commissioner Starks seconded the motion. The votes were as follows:

AYES: Boyd, Griffin, Macedo, Morgan, Nunley, Starks

NOES: None

ABSENT: Alcalay, Staajabu, Wedding

ABSTAIN: None

DISCUSSION/BUSINESS ITEMS

5. 2020 5-Year and Annual Public Housing Agency Plan for the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento; Submission of the 2020 5-Year and Annual Public Housing Agency Plan to the U.S. Department of Housing and Urban Development

Cecette Hawkins and Maria Avdalas presented the item.

Jeffery Tardaguila of DOGFITE provided comment regarding the 2020 5-Year Plan.

Commissioner Griffin motioned to approve the item listed above. Commissioner Nunley seconded the motion. The votes were as follows:

AYES: Boyd, Griffin, Macedo, Morgan, Nunley, Starks

NOES: None

ABSENT: Alcalay, Staajabu, Wedding

ABSTAIN: None

PRESENTATIONS

6. Housing Authority Budget Overview

Sarah O'Daniel and LaTanna Jones presented the item.

7. 2040 General Plan Update Draft Vision and Guiding Principles Remi Mendoza of the City of Sacramento presented the item.

Commissioner Macedo requested ongoing updates from the City. Mr. Mendoza indicated that the City would be glad to provide updates.

EXECUTIVE DIRECTOR'S REPORT

La Shelle Dozier reviewed the following:

- Capitol Park Hotel weekly report. There are currently 26 guests. Some guests have self-selected to move out.
- Habitat for Humanity is holding their 150th Home Dedication on September 28, 2019 at 10 am. 3825 43rd Avenue, Sacramento CA.
- Development Department Budget will be presented at the next meeting.

COMMISSION CHAIR REPORT

None.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Griffin recognized staff for their hard work.

ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 8:07 pm.

Clerk



September 19, 2019

**Sacramento Housing and
Redevelopment Commission
Sacramento, CA**

Honorable Members in Session:

SUBJECT:

Authorize the Submission the Analysis of Impediments (AI); Adopt the 2020-2024 Consolidated Plan; Approval of the 2020 One-Year Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Funded Projects and Programs; Amendment of Prior Years' Action Plans; Amendment to the Sacramento Housing and Redevelopment Agency (SHRA) Budget; and Other Related Actions

SUMMARY:

The attached report is submitted to you for review and recommendation prior to consideration by the City of Sacramento.

RECOMMENDATION:

Staff recommends approval of the recommendations outlined in this report.

Respectfully Submitted


LA SHELLE DOZIER
Executive Director

Attachment



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Discussion

October 22, 2019

Honorable Mayor and Members of the City Council

Title: Authorize the Submission the Analysis of Impediments (AI); Adopt the 2020-2024 Consolidated Plan; Approval of the 2020 One-Year Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Funded Projects and Programs; Amendment of Prior Years' Action Plans; Amendment to the Sacramento Housing and Redevelopment Agency (SHRA) Budget; and Other Related Actions

Location/Council District: Citywide

Recommendation: Pass 1) a **City Council Resolution** a) authorizing SHRA to submit the Analysis of Impediments to the U.S. Department of Housing and Urban Development (HUD) Exhibit A; b) approving the 2020-2024 Consolidated Plan which lays out the strategies and goals for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing for Persons with AIDS (HOPWA) programs, as set out in Exhibit B; c) approving amendments to prior years' Action Plans and the 2020 One-Year Action Plan to allocate anticipated CDBG, HOME, ESG, and HOPWA funds as described in Exhibit C; d) authorizing SHRA to amend its budget to allocate CDBG, HOME, ESG, and HOPWA funding for programs and projects in accordance with the amendment of the prior years' Action Plans and the 2020 One-Year Action Plan and amend the budget if the United States Department of Housing and Urban Development (HUD) grant awards are less or greater than anticipated to the extent necessary to implement and ensure the timely completion of the activities; e) authorizing the City Manager or his designee to execute agreements with SHRA to carry out the activities contained in the 2020 One-Year Action Plan and amendment to the various years' Action Plans in compliance with applicable federal laws and regulations, as approved to form by SHRA legal counsel and the City Attorney; f) authorizing and delegating authority to SHRA to act as agent on behalf of the City of Sacramento to execute grant agreements with HUD and execute agreements and contracts with the appropriate entities to carry out programs and projects in accordance with the Action Plans and in compliance with applicable federal laws and regulations as approved to form by SHRA legal counsel; g) authorizing SHRA to make any budget adjustments and execute related documents as necessary to administer the programs as described in the 2020 Action Plan in compliance with applicable federal laws and regulations as outlined in Exhibit C; f) authorizing SHRA to submit the 2020 One-Year Action Plan and amendments to prior years' Action Plans to

HUD; and 2) a **City Council** resolution establishing Capital Improvement Project (CIP) designations for city projects proposed for funding in the 2020 One Year Plan.

Contact: Tyrone Roderick Williams, Director of Development, (916) 440-1316, Sacramento Housing and Redevelopment Agency

Presenters: Celia Yniguez, Program Manager, (916) 440-1350, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: Since 1982, SHRA has managed and administered federal housing, public service and community development funds on behalf of the City and County of Sacramento (City and County) and has served as the federal housing and community development staffing entity pursuant to a joint powers agreement between the City and County and its housing authorities. HUD requires the submission every five years of the Analysis of Impediments (AI) to Fair Housing and a Consolidated Plan and One-Year Action Plan annually.

This report recommends the acceptance of and authority to submit the regional AI, approval of the 2020-2024 Consolidated Plan and approval of the 2020 One-Year Action Plan (Action Plan) and amendments to prior years' Action Plans, and requests authorization to submit the plan to HUD. The Action Plan outlines proposed priority activities and projects and other actions for federally funded programs including CDBG, HOME, ESG, and HOPWA. Staff anticipates that the 2020 federal budget will be held constant at 2019 funding levels (Exhibit C).

A noticed public hearing soliciting comments on the Action Plan was held by the Sacramento Housing and Redevelopment Commission (Commission) on October 2, 2019.

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

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): Commitment of funding for new projects that could result in a direct or indirect physical change to the environment is subject to environmental review under the California Environmental Quality Act (CEQA) if implementation of the projects is authorized as part of the budgeting process. The recommended actions are considered administrative or fiscal activities and do not constitute a commitment of funding to any of the projects identified in the Action Plan,

and therefore are not considered a project subject to CEQA pursuant to 14 CCR section 15378(b). Environmental review pursuant to CEQA will be completed prior to any project commitment. Activities identified in the Action Plan as public and supportive services and program administration activities are not considered a project subject to CEQA pursuant to 14 CCR section 15378(b), and no further CEQA review is required for these activities.

National Environmental Policy Act (NEPA): All new federally funded projects are subject to environmental review under the requirements of the National Environmental Policy Act (NEPA) and, pursuant to HUD regulations, prior to any commitment of federal funds for expenditure unless such projects are deemed exempt from review. The recommended actions are considered administrative or fiscal activities and do not constitute a commitment of funding to any of the projects identified in the Action Plan, and therefore are exempt from NEPA pursuant to 24 Code of Federal Regulations (CFR) sections 58.34(a)(1) and 58.34(a)(3). Activities identified in the Action Plan as public services are exempt under NEPA pursuant to 24 CFR 58.34(a)(4), supportive services are categorically excluded not subject to §58.5, and program administration activities are exempt pursuant to 24 CFR 58.34(a)(3), and no further NEPA review is required for these activities.

Sustainability Considerations: The Consolidated Plan is consistent with the City's Sustainability Master Plan's Focus Area – Public Health and Nutrition by improving residents' health, and serves as a five-year planning document to direct investments that seek to improve health, nutrition, social and economic sustainability.

Commission Action: On October 2, 2019, the Sacramento Housing and Redevelopment Commission considered the staff recommendations for this item. The votes were as follows:

AYES

NOES

ABSENT

Rationale for Recommendation: As a condition of the receipt of various federal grants provided through HUD, the regulations require the annual submittal of a Consolidated Plan for a five year period and annually a One-Year Action Plan describing proposed activities and expenditures that meet the goals and priorities of the Consolidated Plan. In general, the purpose of the activities funded is to revitalize lower-income neighborhoods and to assist disadvantaged populations by providing adequate public facilities and services and generating affordable housing opportunities. Newly funded capital improvement projects are scheduled to be implemented and completed within 18 months to comply with federal regulations governing the timely expenditure of funds in the current year. This report also requests approval to establish four new Capital Improvement Projects which are the Nielsen Park, Robla Community Park and River District Basketball Court Park projects in Youth, Parks, and Community Enrichment Department and the Del Paso Infrastructure Project in the Office of

Innovation and Economic Development Department which are proposed for funding in the One Year Action Plan. Funding for these projects will further the design and engineering or provide construction funding. Attachment 1 provides the complete project descriptions.

Financial Considerations: Below are the proposed allocations in the 2020 One-Year Action Plan based on estimated revenues. Exhibit A includes details regarding proposed program and project allocations.

Community Development Block Grant (CDBG)			
Revenue Source	Previous Years Reprogramming	2020 Estimated Allocation	Total
Estimated Entitlement	\$0	\$4,798,618	\$4,798,618
Reprogrammed Funds ¹	\$1,759,717	\$0	\$1,759,717
Program Income ²	\$843,864	\$52,833	\$896,697
Total	\$1,548,065	\$4,851,451	\$7,455,032

HOME Investment Partnerships Program (HOME)			
Revenue Source	Previous Years Reprogramming	2020 Estimated Allocation	Total
Estimated Entitlement	\$0	\$2,442,993	\$2,442,993
Reprogrammed Funds ¹	\$0	\$0	\$0
Program Income ²	\$0	\$336,396	\$336,396
Total	\$0	\$2,779,389	\$2,779,389

Emergency Solutions Grant (ESG)			
Revenue Source	Previous Years Reprogramming	2020 Estimated Allocation	Total
Estimated Entitlement	\$0	\$412,742	\$412,742
Reprogrammed Funds ¹	\$0	\$0	\$0
Program Income ²	\$0	\$0	\$0
Total	\$0	\$412,742	\$412,742

Housing Opportunities for Persons With AIDS (HOPWA)			
Revenue Source	Previous Years Reprogramming	2020 Estimated Allocation	Total
Estimated Entitlement	\$0	\$1,330,405	\$1,330,405
Reprogrammed Funds ¹	\$0	\$0	\$0
Program Income ²	\$0	\$0	\$0
Total	\$0	\$1,330,405	\$1,330,405

¹Reprogrammed Funds are made available when an activity has been cancelled, completed with cost savings, or funds are being moved to ensure timely expenditure. Reprogrammed CDBG funds may include prior years' capital reserve funds.

²Program income are funds generated by a grant-supported activity (e.g., loan repayment, property sale, etc.). The 2020 program income is estimated.

LBE - M/WBE and Section 3 requirements: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent they may be applicable. LBE Considerations are not applicable to this report.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

1-Description/Analysis

2-Background

3-Resolution: Analysis of Impediments to Fair Housing, Consolidated Plan, Action Plan

4-Exhibit A – Analysis of Impediments to Fair Housing

5-Exhibit B – 2020-2024 Consolidated Plan

6-Exhibit C – Proposed 2020 Action Plan Activities

7-Resolution: Establish Capital Improvement Projects

Background

Since 1982, SHRA has managed and administered federal housing, public service and community development funds on behalf of the City and County of Sacramento (City and County) and has served as the federal housing and community development staffing entity pursuant to a joint powers agreement between the City and County and its Housing Authorities. HUD requires the submission of an Analysis of Impediments to Fair Housing, a Consolidated Plan and One-Year Action Plans to continue ongoing funding for these programs.

Analysis of Impediments

In 2015, HUD published the Final Rule for Affirmatively Furthering Fair Housing (AFFH) which replaced the Analysis of Impediments (AI) with the Assessment of Fair Housing (AFH). The AFFH rule established a process that participating jurisdictions such as; local governments, States, and public housing agencies, must use to meet their long-standing obligations to affirmatively further fair housing. SHRA, on behalf of the City and the County, has a responsibility to affirmatively further fair housing within the jurisdictions covered by its programs. In 2016, the City authorized SHRA to enter into collaboration agreements with surrounding municipalities and public housing authorities to perform a regional AFH. In January 2018, HUD suspended the AFH requirement and instructed grantees to complete an AI.

All the participating municipalities agreed to proceed with the AI. The draft AI was released for public comment on September 3, 2019. The draft AI (AI Executive Summary Exhibit A) identifies actions needed to overcome the effects of impediments to fair housing which are incorporated into the Consolidated Plan.

Consolidated Plan

A Consolidated Plan is required of any city, county or state that receives federal block grant dollars for housing and community development funding from HUD. HUD consolidated the planning and application process of formula grant programs in 1995, with the purpose of coordinating program requirements and simplifying the process of requesting and obtaining federal funds. The City of Sacramento receives four formula grants: Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG), and Housing for Persons with AIDS (HOPWA) programs. The consolidated planning process is intended to achieve the following:

- Promote citizen participation in the development of local priority needs benefiting low- and moderate- income persons.
- Develop a series of One-Year Action Plans that will be the basis for assessment of performance.
- Consult with public and private agencies to identify needs and appropriate actions required to address their needs.

The 2020-2024 Consolidated Plan is a joint City-County planning document (Consolidated Plan - Executive Summary, Exhibit B) that identifies the areas housing, public service, and community development needs and describes a long-term strategy to meet those needs. The Consolidated Plan provides a vision, goals and strategies for the allocation of these federal formula grant funds.

The Consolidated Plan has three overarching goals to address community needs including: 1) Provide affordable housing, including for those with special needs; 2) Provide a suitable living environment through more livable and integrated neighborhoods; and 3) Expand economic opportunities, especially for low- and moderate-income persons. The activities the City will undertake to achieve the stated objectives in 2020 are detailed in Attachment C. These activities are designed to serve extremely low-, low-, and moderate-income residents by funding programs and projects in the following categories: 1) Infrastructure and Public Improvements, 2) Affordable Housing Development, and 3) Public Services. The Consolidated Plan's goals and priorities for the City were developed through an extensive community engagement process and consultation with public agencies in the City.

Action Plan

This document provides details of the proposed 2020 One-Year Action Plan programs, activities, and budgets for the year beginning January 1 through December 31, 2020. In addition, staff is proposing to amend prior years' Action Plans to allocate capital reserve and program income from the federal programs to fund activities. A noticed public hearing soliciting comments on the 2020 One-Year Action Plan was held by the Sacramento Housing and Redevelopment Commission on October 2, 2019.

The One-Year Action Plan describes the resources expected to be available in the coming program year from federal, nonfederal, and private sources. It includes a description of the activities that will be undertaken to meet the specific objectives in the Consolidated Plan. In subsequent years, the One-Year Action Plan will be used to update the Consolidated Plan. It also provides the City with a basis for assessing its progress in meeting the goals of the Consolidated Plan through the Consolidated Annual Performance and Evaluation Reports (CAPER).

The Action Plan's key components are broken down in the following sections:

Infrastructure and Public Facility Improvements

There is a continuing need in the City for infrastructure and public facility improvements to serve low- and moderate-income areas within neighborhoods that either have inadequate facilities or where existing facilities suffer from heavy use or deferred maintenance, leading to disrepair. Capital improvement funding identified in the Action Plan strives for maximum leveraging opportunities in order to provide the greatest impact to residents.

Supporting large infrastructure and public facility improvement projects benefiting low and moderate-income areas remains a key objective of the City's CDBG Program. The

Consolidated Plan identifies targeted priority areas which represent the intersection of various considerations for effectively targeting funding and maximizing impacts. To the extent a pipeline of projects exists within the priority areas, the program goal is to strategically support such projects. However, area benefit projects outside the priority areas will also be supported where strategic projects exist in broader low- and moderate-income areas and to the extent that capital and public facility funding remains available.

Proposed Action Plan infrastructure and public facility improvement projects were identified through consultation with community organizations and City staff and were selected based on the ability for them to be completed in a timely manner, CDBG program eligibility, and current City of Sacramento priorities. The Action Plan recognizes the limited federal, state, and local funding, and strategically focuses funding on fewer, but larger projects in low- and moderate-income neighborhoods. The goal is to create a concentration of activity that generates strategic and visible impacts which promote positive changes within the community.

New Capital Improvement Project (CIP) Projects

Per City policy, a new Capital Improvement Project (CIP) designation must be established in order for the City to begin work on a new project. For past CIP projects funded with CDBG, City staff established the CIP in a separate report. Staff is requesting authority to establish four new CIPs in this report to reduce staff time and streamline this administrative requirement.

Nielsen Park – District 8

The Project will prepare design and engineering plans for park improvements, including but not limited to ADA walkways, shade structure, trees, park furniture, other park amenities and improvements to the tennis courts and play fields. The CDBG funds will leverage funds from the Health Education Council and the Kaiser Permanente Foundation of approximately \$55,000.

Robla Community Park – District 2

The Project includes design, engineering and construction of park improvements including but not limited to ADA accessible walkways, playfield improvements and amenities.

River District Basketball Court – District 3

CDBG funding will be utilized for the design and engineering of a new basketball court and park facilities. The park will include facilities for tots and young children. It will provide active recreation amenities for the Twin Rivers residents and River District employees. Construction funds of \$345,000 will be provided by the Choice Neighborhoods Implementation grant. Design and engineering costs are not eligible under the Choice Neighborhoods Program.

Del Paso Boulevard Infrastructure Study – District 2

The project includes the preparation of an infrastructure analysis and cost study for the Del Paso corridor to make it shovel ready and stimulate development on vacant lots. This will assist proposed development along the corridor, including a housing project on a former Redevelopment Agency property.

Housing

The housing activities outlined in the Action Plan seek to support, increase and improve the multi-family housing stock, fund minor and emergency repairs to existing single-family homes, and provide decent and affordable housing to low- and moderate-income individuals. SHRA's ability to respond to difficult housing issues has been constrained in recent years due to the limited amount of entitlement grants from the federal government and limited state and local funding. As a result, resources from CDBG have been consistently targeted over the Consolidated Planning period towards housing rehabilitation and in support of housing development. Additionally, efforts have been made to reduce mobility barriers for low- and moderate-income households by supporting infrastructure improvements along transit corridors in conjunction with housing development and community facilities in designated neighborhoods. This strategy is part of SHRA's efforts to support equitable Transit-Oriented Development and is proven to lead to increased opportunities for low- and moderate-income residents to live closer to their place of work and enjoy greater interaction with their surrounding community and amenities.

HOME Program

The HOME Program empowers grantees to design and implement affordable housing strategies to respond to locally determined needs. HOME funds, unlike CDBG, can be used for construction of new housing. Additionally, HOME funds are also used for the rehabilitation of existing housing.

In accordance with HOME regulations (24 CFR Part 92), projects are subject to regulatory restrictions for a term of five through twenty years depending on the amount and type of assistance. In the past, restrictions were recorded for longer periods than required, typically for the purpose of uniformity among different funding sources. In an effort to maximize the opportunity for rehabilitation projects to secure new financing, such as Mortgage Revenue Bond and Tax Credits, staff recommends HOME restrictions be only for the period required by HUD. Once the HOME loan has been repaid, the HOME affordability period has been satisfied, and continued affordability is assured through the placement of a new restriction, the HOME regulatory agreement will be released. The new restrictions will generally remain in force for a minimum of fifty-five years.

Homeless Services

SHRA is part of the Continuum of Care Advisory board and is committed to partner with the City and Sacramento Steps Forward (SSF), the lead agency for the Continuum of Care (CoC). As such, SHRA is involved in discussions about the best methods to reach

out to homeless persons and how to assess individual needs as part of ongoing coordination efforts. Additionally, the City has determined addressing homelessness is a high priority. SHRA continues to work with City staff on the most strategic use of federal funding for homeless services, including CDBG, HOPWA, and ESG to reflect and complement the broader commitments of the City to prevent and end homelessness.

Objectives to address homelessness in 2020 include: 1) supporting efforts to continue the CoC System for homeless assistance through the provision of emergency shelters, rapid re-housing/prevention services, and including housing for the chronically homeless; and 2) providing permanent supportive housing services, and supportive services for low- and moderate-income persons and those with special needs, including the homeless and persons living with HIV/AIDS.

As part of the Action Plan, CDBG, ESG, and HOPWA funding is expected to continue for established programs such as the emergency shelters, rapid re-housing and other actions related to the prevention of homelessness.

Emergency Solutions Grant

SHRA, on behalf of the City of Sacramento, administers ESG funding. Upon approval of the Action Plan by the Sacramento City Council, SHRA will execute subrecipient agreements for rapid re-housing and emergency shelter programs. Rapid re-housing services include housing search and placement, housing stability case management, direct short-term rental assistance, rental application fees, security/utility deposits, and first/last months' rent.

HOPWA

HOPWA provides housing assistance and related supportive services to low-income persons living with HIV/AIDS and their families. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units, costs for facility operations, rental assistance, and short-term payments to prevent homelessness. Supportive services can include case management, substance abuse treatment, mental health treatment, nutritional services, job training and placement assistance, and assistance with daily living. In addition to funding for activities outlined above, SHRA works with developers in order to create affordable HOPWA housing units as opportunities present themselves.

As a HOPWA recipient, SHRA has the responsibility to serve eligible individuals within the Eligible Metropolitan Statistical Area (EMSA) which is a metropolitan area with more than 500,000 people and more than 2,000 persons living with HIV or AIDS. For HOPWA funds allocated to the City, the eligible area includes Sacramento, Yolo, Placer, and El Dorado counties. SHRA works with sub-recipients to provide services to HOPWA-eligible clients.

Public Services

An overall priority for CDBG is to increase self-sufficiency and economic opportunity for low-income residents and individuals with special needs so that they can achieve a

reasonable standard of living. The priority in the Consolidated Plan for the utilization of public service funding is to support vital services to the City's most vulnerable populations, such as providing meals to seniors and the services and emergency shelter to homeless households.

Fair Housing

SHRA, the City and County of Sacramento, and the Cities of Citrus Heights, Elk Grove, Folsom, and Rancho Cordova implement fair housing services through local partnerships. The result is the Renter's Hotline, which serves as a central intake point to provide counseling, dispute resolution and fair housing services for all Sacramento residents in a housing crisis or dispute. Access is through telephone and the internet. Other components include fair housing education and training for landlords, implicit bias training, and fair housing investigation/testing/litigation.

RESOLUTION NO. 2019 -

Adopted by the Sacramento City Council

On date of

AUTHORITY TO SUBMIT THE ANALYSIS OF IMPEDIMENTS; APPROVAL OF THE 2020-2024 CONSOLIDATED PLAN; APPROVAL OF THE 2020 ONE-YEAR ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME), HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA), AND EMERGENCY SOLUTIONS GRANT (ESG) FUNDED PROJECTS AND PROGRAMS; AMENDMENT OF PRIOR YEARS' ACTION PLANS; AMENDMENT TO THE SACRAMENTO HOUSING AND REDEVELOPMENT BUDGET; EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF FEDERAL PROGRAMS; AND OTHER RELATED ACTIONS

BACKGROUND

- A. The U.S. Department of Housing and Urban Development (HUD) requires the completion of an Analysis of Impediments.
- B. HUD requires the submission of an Analysis of Impediments to fair housing and adoption of a Five-Year Consolidated Plan and annual Action Plan, consistent with the Consolidated Plan, to identify the programs and projects for expenditure of federal CDBG, HOME, ESG, and HOPWA.
- C. Since 1982 the Sacramento Housing and Redevelopment Agency (SHRA) and its constituent entities has served as the public entity designated to efficiently administer the CDBG program and was subsequently designated as the public entity to administer HOME, ESG, and HOPWA, funding originating from HUD.
- D. As the recipient of HUD funding and designated agent for the City of Sacramento, SHRA is authorized to submit environmental determinations on the City's behalf and on the behalf of non-profit sub-recipients.
- E. A noticed public hearing soliciting comments on the AI, 2020-2024 Consolidated Plan, and the 2020 One-Year Action Plan was held by the Sacramento Housing and Redevelopment Commission on October 2, 2019, which fell within the 30 day public comment period.
- F. The recommended actions are considered administrative or fiscal activities and do not constitute a commitment of funding to any of the projects identified in the Action Plan, and therefore are not considered a project subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378, and are exempt under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(1) and (3). Environmental reviews for individual activities or programs identified in the Action Plan will be completed prior to project commitment or choice limiting actions. Activities identified in the Action Plan as public services, supportive services, and program administration have been

reviewed pursuant to CEQA and NEPA and no further review is required for these activities.

- G. SHRA staff will continue to integrate and collaborate on programming efforts with City departments utilizing Federal, State and local funding.

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

- Section 1. All evidence presented having been duly considered, the findings are found to be true and correct and are hereby adopted.
- Section 2. The AI identifies policies, practices, and procedures that affect housing choice for low-income households which are incorporated in the Consolidated Plan and annual Action Plan. The AI is hereby adopted and SHRA is directed to submit the AI to HUD, as set out in Exhibit, A.
- Section 3. The 2020-2024 Consolidated Plan, which lays out the strategic goals for CDBG, HOME, ESG, and HOPWA programs, as set out in Exhibit B, is adopted.
- Section 4. Amendments to prior years' Action Plans and the 2020 One-Year Action Plan, which allocates CDBG, HOME, ESG, and HOPWA funds as described in Exhibit A, are approved.
- Section 5. SHRA is authorized to amend its budget to allocate CDBG, HOME, ESG, and HOPWA funding for programs and projects in accordance with the amendment of the prior years' Action Plans and the 2020 One-Year Action Plan and amend the budget if the HUD grant awards are less or greater than anticipated to the extent necessary to implement and ensure the timely completion of the activities.
- Section 6. The City Manager, or designee, is authorized to execute agreements with SHRA to carry out activities contained in the 2020 One-Year Action Plan and amendment to the various years' Action Plans in compliance with applicable federal laws and regulations as approved to form by SHRA Counsel and the City Attorney.
- Section 7. SHRA is authorized and delegated authority to act as agent on behalf of the City of Sacramento to execute grant agreements with HUD and execute agreements and contracts with the appropriate entities to carry out projects and programs in accordance with the 2020 One-Year Action Plan and amendments to prior years' Action Plans in compliance with applicable federal laws and regulations as approved to form by SHRA Counsel.
- Section 8. SHRA is authorized to make any budget adjustments and execute any and all related documents, including invoicing, contracts, and amendments as necessary to carry out the federal programs as described in the 2020 One-Year Action plan in compliance with applicable federal laws and regulations as outlined in Exhibit C.

Section 9. SHRA is authorized to submit the 2020-2024 Consolidated Plan and 2020 One-Year Action Plan and amendments to prior years' Action Plans to HUD.

Section 10. SHRA is authorized to reallocate funds from Twin Rivers Section 108 loan for Del Paso Nuevo, as identified in Exhibit C.

Section 11. SHRA staff will integrate and collaborate on CDBG programming efforts with City Economic Development Department.

Table of Contents:

Exhibit A: Analysis of Impediments (AI)

Exhibit B: 2020 – 2024 Consolidated Plan

Exhibit C: 2020 Action Plan

Executive Summary

Sacramento Valley Fair Housing Collaborative AI

The Analysis of Impediments to Fair Housing Choice, or AI, is a planning process for local governments and public housing agencies (PHAs) to take meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. This study was conducted for the Sacramento Valley region as a joint effort among the following entities:

- The City of Citrus Heights,
- The City of Davis,
- The City of Elk Grove,
- The City of Folsom,
- The City of Galt,
- The City of Isleton,
- The City of Rancho Cordova,
- The City of Rocklin,
- The City of Roseville,
- The City of Sacramento,
- The Housing Authority of Sacramento,
- Sacramento County,
- The Sacramento Housing and Redevelopment Agency,
- The City of West Sacramento,
- The City of Woodland, and
- Yolo County Housing.

Community Engagement

The community engagement process for the Sacramento Valley AI included focus groups with residents and stakeholders, “pop up” engagement at local events, and a resident survey. Stakeholder focus groups were supplemented with in-depth interviews as needed and as opportunities arose.

In partnership with the participating jurisdictions and nonprofit organizations throughout the region the project team facilitated six resident focus groups and six stakeholder focus groups. The 80 resident focus group participants included:

- African American mothers hosted by Her Health First;
- African American and Hispanic residents hosted by Sacramento Self-Help Housing;
- Low income families with children hosted by the Folsom Cordova Community Partnership/Family Resource Center;
- Residents with disabilities hosted by Advocates for Mentally Ill Housing;
- Residents with disabilities hosted by Resources for Independent Living; and
- Transgender residents hosted by the Gender Health Center.

Stakeholder focus groups included 35 participants representing organizations operating throughout the region. It is important to note that, for the purpose of this report, “stakeholders” include people who work in the fields of housing, real estate and development, supportive services, fair housing advocacy, education, transportation, economic equity, and economic development. We recognize that residents living in the region are also stakeholders. We distinguish them as “residents” in this report to highlight their stories and experiences.

A total of 577 residents participated in engagement activities at local events. A resident survey was available in Chinese, Korean, Russian, Spanish, and Vietnamese both online and accessible to participants using **assistive devices** (e.g., screen readers), and in a postage-paid paper mail-back format.

Community Engagement Participants



2019 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

COMMUNITY ENGAGEMENT BY THE NUMBERS

4,080
total participants

RESIDENT SURVEY

3,388 participants

RESIDENT FOCUS GROUPS

80 participants

COMMUNITY POP UPS

577 participants

STAKEHOLDER FOCUS GROUPS

35 participants

WHO PARTICIPATED IN THE SURVEY?



957

had children under 18
in the household



1,128

had a household member
with a disability



1,016

had a household income
of \$25,000 or less



401

had large households
(5 or more members)



450

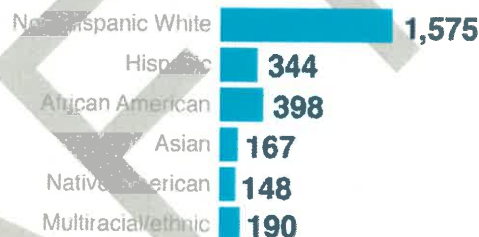
had publicly
supported housing



41

were residents with
Limited English Proficiency

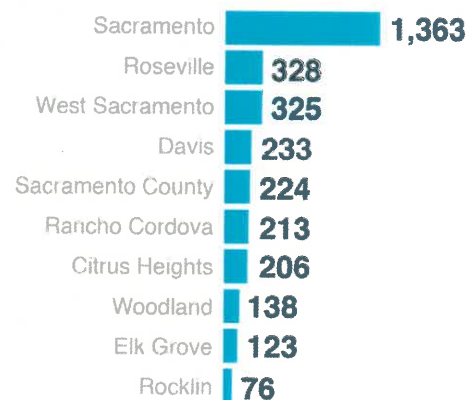
RACE/ETHNICITY



HOUSING SITUATION



PLACE OF RESIDENCE



Source: Root Policy Research.

Primary Findings

Segregation and integration. Segregation and lack of access to economic opportunity persists in many areas of the region, both within and across jurisdictions. Although the region has grown more diverse, the effects of past systematic segregation and exclusion in housing still disproportionately impact members of protected classes.

- **Family poverty.** Overall in the region, 16 percent of people live in poverty. Differences in the proportion of persons living in poverty range from a low of 9 percent (Rocklin and Roseville) to a high of 21 percent in Sacramento and 29 percent in Davis (inflated due to the student population). Non-Hispanic White residents have very low poverty rates relative to Black and Hispanic families and compared to Asian families in some jurisdictions (cities of Sacramento and Davis, and the Balance of Sacramento County). Residents with disabilities between the ages of 18 and 64 are twice as likely to live in poverty as their 18 to 64 year old neighbors without disabilities.
- **Segregation.** By measures of both citywide and neighborhood diversity, the City of Sacramento has been ranked one of the most diverse and integrated large cities in the United States. However, like other American cities, Sacramento and the greater region have a past of systematic segregation and exclusion in housing. The suburbs east of Sacramento, such as Roseville, Rocklin, Citrus Heights and Folsom tend to be more non-Hispanic White or Asian than the city itself. Black residents tend to be predominantly located within the City of Sacramento more than other racial and ethnic groups. Concentrations of foreign-born residents are evident in Woodland, north Sacramento, Antelope (in northern Sacramento County) and across the south side of Sacramento. Segregation of persons with disabilities is low across the region.

Disproportionate housing needs. In the Sacramento Valley region, the most significant disproportionate housing needs are found in:

- **Homeownership rates.** Homeownership rates vary widely by race and ethnicity both within and among jurisdictions. The lowest Black homeownership rate (17%) is found in Woodland and the lowest Hispanic homeownership rate (27%) is found in Davis. The Black/White homeownership gap exceeds 30 percentage points in Citrus Heights, Davis, Rancho Cordova, the Balance of Sacramento County, and Woodland. Compared to the Black/White difference, the homeownership gap between Hispanic and Non-Hispanic White households ranges from 10 percentage points in Elk Grove and Rocklin to more than 20 percentage points in Citrus Heights, Davis, Rancho Cordova, Woodland, and the Balance of Sacramento County. Among resident survey participants, households that include a member with a disability are half as likely as non-disability households to own a home (25% v. 53%).

Across the board, all minority groups experience higher rates of mortgage loan denials than non-Hispanic White applicants for each loan purpose (i.e., home improvement, purchase, or refinance). While the share of loans categorized as subprime has fallen

since the Great Recession, Hispanic households are more likely than any other group to receive a subprime loan.

- **Cost-burden and housing challenges.** African American and Hispanic households in the region have the highest rates of experiencing a housing problem (e.g., cost burden, crowding). White, non-Hispanic households are the least likely to experience housing problems across the region and in each jurisdiction.

The resident survey and focus groups found meaningful differences in housing challenges experienced by members of protected classes. Worry about rent increases, being unable to buy a home, and worry about property taxes are among the concerns identified by the greatest proportions of members of protected classes. Households that include a member with a disability may experience housing challenges related to needed modifications to the home or accommodations from their housing provider. Overall, one in three (35%) households that include a member with a disability live in a home that does not meet the needs of the resident with a disability.

- **Displacement experience.** Overall, one in four (25%) survey respondents had been displaced from a housing situation in the Sacramento Valley in the past five years. The most common reasons for displacement—rent increased more than I could pay, personal reasons, landlord selling home, and living in unsafe conditions. African American, Hispanic, and Native American respondents, large families, households with children, and respondents whose household includes a member with a disability all experienced higher displacement rates than regional survey respondents overall. While displacement rates are higher, the reasons for displacement are generally the same as those of regional respondents.

Overall, by the above measures, the most equity in housing choice compared to the region exists in:

- Citrus Heights, Elk Grove, and Rancho Cordova—residents of these communities are as likely as regional residents to experience housing challenges; and
- Elk Grove, Rocklin, and Roseville have relatively high Black and Hispanic homeownership rates compared to other jurisdictions.

Access to opportunity. Access to economic opportunity varies by type of opportunity, across the region and within communities.

Areas where jurisdictions differed from the region in access to opportunity include:

- With the exceptions of a few school districts (e.g., Davis, Rocklin, Roseville)—there are disparities in school quality between low and higher income neighborhoods, and these quality differences disproportionately impact people of color. Residents of Citrus Heights, Rancho Cordova, Sacramento, and Woodland are least likely to live in neighborhoods with proficient schools.

- Resident survey respondents living in Sacramento and Sacramento County tend to give the lowest ratings of healthy neighborhood indicators among the participating jurisdictions.
- Public transportation issues—especially bus routes, availability of bus service, and connections between communities—are a pressing concern to residents throughout the region. The exception is on “the grid” in downtown Sacramento, where public transit is considered the best available in the region.

Positive differences include:

- Elk Grove, Rocklin, Roseville, and Davis residents are most likely to have access to economically strong neighborhoods.
- Residents of Rocklin, Roseville, Davis, and Elk Grove are most likely to have access to proficient schools. With the exception of Roseville, there are no meaningful differences in access to proficient schools by race or ethnicity in these communities.
- Resident survey respondents living in Davis, Roseville, Rocklin, Elk Grove, and Woodland tend to rate each healthy neighborhood indicator higher than the regional average.
- On average, community engagement participants give the area where they live good marks on most healthy neighborhood indicators—ease of getting to the places they want to go using their preferred transportation option, convenient access to grocery stores, job opportunities, and health care facilities, and park and recreation facilities of similar quality to other neighborhoods. The most glaring exception is that residents find it difficult to find housing people can afford that is close to good schools.

Disparities by protected class in access to opportunity were found in:

- Regionally, African American residents and Hispanic residents are least likely to have access to economically strong (low poverty) neighborhoods. Among residents in poverty, the gap in access by race and ethnicity narrows, but still persists. African American, Hispanic, and Native American residents of Sacramento and Hispanic and Native American residents of West Sacramento are least likely among all regional residents to have access to economically strong neighborhoods.
- Non-Hispanic White residents of Sacramento and Sacramento County are more likely to have access to proficient schools than residents of color, and this gap persists among residents in poverty. In addition to disparities in access to proficient schools, suspension rates in Sacramento County schools vary widely by race or ethnicity, with Black males suspended at a rate more than five times the state average.

- Disparities by race or ethnicity in labor market engagement index scores are greatest among residents of Rancho Cordova, Sacramento, Sacramento County, and West Sacramento. Only 39 percent of working age residents with disabilities are in the labor force and unemployment rates are high. The low labor force participation rates of residents with disabilities are suggestive of barriers to entering the labor force and high unemployment rates of those in the labor force indicate barriers to securing employment.
- Healthy neighborhood indicator ratings by survey respondents who are Native American, African American, Hispanic, living in households that include a member with a disability, and families with children are lower than the regional average, and tend toward neutral/somewhat agree rating levels.
- Access to public transit—areas of service, frequency, and hours of operation—and the cost of using transit limits where transit-dependent residents with disabilities, particularly those relying on disability income, can live and participate in activities of daily living.
- Stakeholder focus group participants identified a lack of supportive housing services as a critical need in helping the region's most vulnerable residents, including those with mental illness, to remain living in the most independent setting possible.

Residents' experience with housing challenges varies by jurisdiction and among members of protected classes as demonstrated by the following figures.

Top 12 Housing Challenges Experienced by Residents by Sacramento County Jurisdictions



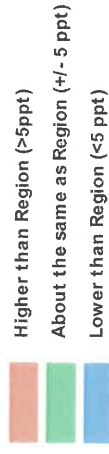
Note: Where appropriate, sample sizes are adjusted for the number of homeowners, or renters and precariously housed residents. - Sample size too small to report (<25 respondents).
Source: Root Policy Research from the 2018 Sacramento Valley Fair Housing Survey.

Top 12 Housing Challenges Experienced by Residents by Placer and Yolo County Jurisdictions



Note: Where appropriate, sample sizes are adjusted for the number of homeowners, or renters and precariously housed residents. - Sample size too small to report (<25 respondents).
Source: Root Policy Research from the 2018 Sacramento Valley Fair Housing Survey.

Housing Challenges Experienced by Residents who are Members of Selected Protected Classes



Percent of Residents Experiencing a Housing Challenge	African American	Asian	Hispanic	Native American	Non-Hispanic White	Disability	Children Under 18	Large Family	LEP	Region
I worry about my rent going up to an amount I can't afford	41%	54%	52%	51%	59%	50%	52%	47%	46%	50%
I want to buy a house but can't afford the downpayment	39%	46%	42%	40%	47%	40%	52%	46%	36%	41%
I worry about property taxes increasing to an amount I can't afford	46%	22%	39%	34%	34%	45%	33%	39%	20%	31%
I struggle to pay my rent (e.g., sometimes paying late, not paying other bills to pay rent, not buying food or medicine)	33%	18%	37%	31%	31%	36%	42%	37%	11%	30%
I have bad credit/history of evictions/foreclosure and cannot find a place to rent	21%	16%	29%	22%	19%	26%	31%	38%	11%	21%
I worry that if I request a repair it will result in a rent increase or eviction (be kicked out)	16%	19%	22%	19%	20%	21%	23%	22%	14%	18%
Too much traffic/too much street/highway noise	12%	13%	23%	18%	19%	20%	19%	17%	11%	17%
I have bad/rude/loud neighbors	18%	12%	23%	20%	16%	20%	19%	19%	13%	16%
High crime in my neighborhood	24%	10%	22%	21%	14%	22%	20%	21%	11%	16%
My house or apartment isn't big enough for my family members	31%	16%	23%	18%	12%	21%	29%	38%	24%	16%
My home/apartment is in poor condition (such as mold or needs repairs)	22%	16%	19%	18%	15%	24%	20%	22%	13%	16%
I am afraid I may get evicted (kicked out)	17%	13%	13%	18%	14%	20%	20%	20%	11%	14%

Note: Where appropriate, sample sizes are adjusted for the number of homeowners, or renters and precariously housed residents. - Sample size too small to report (<25 respondents).
Source: Root Policy Research from the 2018 Sacramento Valley Fair Housing.

Fair Housing Barriers and Contributing Factors

The primary housing barriers—and the factors that contributed to those barriers—identified in the research conducted for this AI include the following. Where protected classes are disproportionately impacted, those are noted.

Barrier: The harm caused by segregation is manifest in disproportionate housing needs and differences in economic opportunity.

Contributing factors: Past actions that denied housing opportunities and perpetuated segregation have long limited opportunities for many members of protected classes. This continues to be evident in differences in poverty rates, homeownership, and access to economic opportunity throughout the region.

Disproportionate impact: Across the region, Non-Hispanic White residents have very low poverty rates relative to Black and Hispanic families, and compared to Asian families in some jurisdictions (cities of Sacramento and Davis, and the Balance of Sacramento County).¹ The narrowest homeownership gap among the jurisdictions between Black and Non-Hispanic White households is 18 percentage points (Roseville) and exceeds 30 percentage points in Citrus Heights, Davis, Rancho Cordova, the Balance of Sacramento County, and Woodland. Compared to the Black/White difference, the homeownership gap between Hispanic and Non-Hispanic White households ranges from 10 percentage points in Elk Grove and Rocklin to more than 20 percentage points in Citrus Heights, Davis, Rancho Cordova, Woodland, and the Balance of Sacramento County.

Barrier: Affordable rental options in the region are increasingly limited.

Contributing factors: 1) Growth in the region—particularly demand for rental housing—has increasingly limited the areas where low income households can live affordably, evidenced by the high rates of households with disproportionate housing needs. This perpetuates the limited economic opportunity that began with segregation. 2) Constraints on affordable housing development and preservation, ranging from lack of funding, the cost of development or preservation, public policies and processes, and lack of adequate infrastructure for infill redevelopment, all constrain the affordable rental market. 3) Suburban areas in the Sacramento Valley are rarely competitive for state or federal affordable housing development funds, further straining the capacity for creation or preservation of affordable rental housing. 4) For residents participating in the Housing Choice or other housing voucher programs, too few private landlords accept vouchers. This leads to concentration of vouchers in certain neighborhoods and lack of mobility for voucher holders.

Disproportionate impact: African American and Hispanic households in the region have the highest rates of experiencing a housing problem (e.g., cost burden, crowding). White, non-Hispanic households are the least likely to experience housing problems across the region

¹ Throughout, Balance of Sacramento County refers to areas of the County which exclude Citrus Heights, Elk Grove, Rancho Cordova, and the city of Sacramento, as data for these jurisdictions are reported independently.

and in each jurisdiction. Through the community engagement process, residents participating in voucher programs described difficulty finding a landlord to accept their voucher; an analysis of concentration of voucher holders by neighborhood found that areas with greater proportions of voucher holders also tended to be R/ECAP neighborhoods or neighborhoods with less access to economic opportunity.

Barrier: Residents with disabilities need for and lack of access to affordable, accessible housing.

Contributing factors and disproportionate impact: 1) Insufficient number of mobility and sensory accessible units affordable to people living on SSI/SSDI (i.e., ADA accessible market rate units are unaffordable to those who need them most). 2) Much of the naturally occurring affordable housing stock is older and not accessible to residents with mobility disabilities. 3) Lack of transit access outside of the downtown core further limits the pool of accessible, affordable housing options for transit-dependent residents.

Barrier: Stricter rental policies further limit options.

Contributing factors and disproportionate impacts: 1) “3x income requirements” for rental units have a discriminatory effect on persons with disabilities whose income is primarily Social Security and Disability Insurance (SSDI), as well as renters who receive income from “unearned” sources such as child support. 2) Voucher tenants are not protected under California’s source of income protections. 3) Onerous criminal look back periods that do not take into account severity of a crime or time period in which it was committed disproportionately impact persons of color, persons with mental illness, and persons in recovery.

Barrier: Disparities in the ability to access homeownership exist.

Contributing factors: 1) Past actions that have limited economic opportunity for certain residents (i.e., redlining, lending discrimination, other barriers to wealth). 2) Disparities in access to lending, including home improvement and refinance products.

Disproportionate impact: Analysis of lending data finds that denial rates for Hispanic applicants (24%) and other non-Asian minority groups (24%) were significantly higher than for non-Hispanic White applicants (15%), and gaps persist (albeit narrower) after controlling for income. Across the board, all minority groups experience higher rates of loan denial than non-Hispanic White applicants for each loan purpose (i.e., home improvement, purchase, or refinance).

Barrier: Public transportation has not kept up with growth.

Contributing factors: Outside of the downtown Sacramento “grid” public transportation has not kept up with regional growth and lacks inner and intra city connections. Costs are high, especially for very low income households.²

Disproportionate impact: A lack of access to affordable public transportation (e.g., routes, connections, days/hours of service) is the 2nd most frequently cited barrier to economic opportunity mentioned by members of protected classes.

Barrier: Educational inequities persist in the region.

Contributing factors and disproportionate impacts: 1) Housing prices near high performing schools and school districts are out of reach for low and moderate income families. 2) In north and south Sacramento and in Woodland, children from predominantly African American and Hispanic neighborhoods are less likely to attend proficient schools. 3) Impact of 2013 education equity reforms (e.g., Local Control Funding Formula, Smarter Balanced Assessment System, educator prep standards) not yet fully realized. 4) Disparities in discipline/suspension rates of African American, Latino, and special needs children.

Barrier: Disparities in labor market engagement exist.

Contributing factors and disproportionate impact: 1) Unequal school quality across the region disproportionately disadvantages low and moderate income families. 2) Lack of economic investment directed to building skilled earning capacity in communities of color. 3) Lack of market rate job opportunities for people with disabilities.

Barrier: Residents with disabilities lack of access to supportive services and a spectrum of housing options to enable them, especially those with mental illness, achieve and maintain housing stability.

Contributing factors and disproportionate impact: 1) Lack of affordable housing. 2) Significant state budget cuts since the 1990s with little progress toward funding restoration. 3) Lack of funding for case management, mentors, other peer-supported services to support navigating systems and independent living skill development. 4) Loss of naturally occurring affordable housing options, including boarding homes, other small group living environments.

² Note that all community engagement and publicly available data on access to public transit was collected prior to RT Forward implementation. Implementation should be carefully monitored to assess impacts on members of protected classes and the extent to which this impediment is mitigated with implementation of RT Forward.

Solutions

This section summarizes proposed solutions to addressing the contributing factors discussed above. The participating partners focused on strategies that:

- 1) Expand affordable rental opportunities;
- 2) Increase homeownership among under-represented groups; and
- 3) Focus on a range of equity issues.

Implementation. It is the intention of the participating partners to incorporate the AI strategies into their individual and regional Housing Elements, Consolidated Plans, Annual Action plans, and other regional and municipal planning processes.

Goals and Strategies to Address Fair Housing Barriers

Goal 1. Incentivize development of affordable homeownership products. Support development or resale of affordable homeownership opportunities through both developers' operations and obtaining resources to support low income homebuyers, and affirmatively market to under-represented homeowners.

Goal 2. Expand affordable rental opportunities.

- a) ***Encourage reasonable policies for tenant criminal history, rental history, and credit history.*** Educate landlords and developers who benefit from public funding and development incentives to adopt reasonable policies on tenant criminal history, and to consider applicants with poor rental/credit histories on a case-by-case basis.
- b) ***Increase accessible and affordable housing opportunities.*** Set a goal for developing a range of affordability levels, handicapped-accessible housing units or otherwise incorporate affordable, handicapped-accessible housing in housing elements.
- c) ***Encourage residential infill opportunities.*** Increase residential infill opportunities through changes in zoning and long range plans.
- d) ***Engage the private sector in solutions.*** Through affirmative marketing requirements, development incentives, and mandatory affordable housing contributions, further the private sector commitment to addressing barriers to housing choice.

Goal 3. Expand equity in access to economic opportunity.

- a) ***Improve infrastructure and public facilities*** in disadvantaged communities.

- b) ***Connect low income residents to job opportunities.*** Improve connections between low-income populations, especially Public Housing residents, and employment opportunities.
- c) ***Reduce housing instability by closing service gaps.*** Partner with mental health, recovery, and disability service providers to develop strategies for filling gaps in services and housing types to prevent housing instability and risk of re-institutionalization.

DRAFT

EXECUTIVE SUMMARY.

2020-2024 Five-Year Consolidated Plan for the Sacramento Region

This document is the Five-year Consolidated Plan for the Sacramento Region, which provides a vision, goals, and intentions for allocating federal housing and community development block grants provided by the U.S. Department of Housing and Urban Development (HUD).

Administrative entity. The Plan is administered by the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the City and County of Sacramento. This regional Plan is referred to as the “Consortium” Plan and includes the Urban County of Sacramento plus the cities of Sacramento, Citrus Heights, and Rancho Cordova. The “Agreement Cities” of Folsom, Isleton, and Galt fall under the Urban County of Sacramento Plan.

Purpose of Consolidated Plan. A Consolidated Plan is required of any city, county or state that receives federal block grant dollars for housing and community development funding from the U.S. Department of Housing and Urban Development (HUD). There are four types of HUD block grant housing and community development programs: the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME), the Emergency Solutions Grant (ESG), and the Housing Opportunities for People with AIDS (HOPWA) program.

- **Community Development Block Grant (CDBG):** The primary objective of this program is to develop viable urban communities by providing decent and affordable housing, a suitable living environment, and economic opportunities, principally for persons of low- and moderate-income. Potential programs include: housing rehabilitation, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers or public services.
- **HOME Investment Partnership Program (HOME):** The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low- and moderate-income households. HOME funds can be used for activities that promote a suitable living environment, decent and affordable rental housing and homeownership by low- and moderate-income households, including reconstruction, moderate or substantial rehabilitation, removal of architectural barriers and tenant-based rental assistance.
- **Emergency Solutions Grant (ESG):** The ESG program provides homeless persons with basic shelter and essential supportive services to promote decent and affordable housing, a suitable living environment, and economic opportunities. ESG funds can be used for a variety of activities, including: rapid re-housing and homeless prevention activities,

rehabilitation or remodeling of a building used as a new shelter, operations and maintenance of facilities, essential supportive services, and homeless prevention.

- **Housing Opportunities for Persons with AIDS (HOPWA):** The HOPWA Program provides grant funds to design long-term, comprehensive strategies for meeting the decent and affordable housing sustainable living environment needs for low- and moderate-income people living with HIV/AIDS. HOPWA funds can be used for acquisition, rehabilitation, or new construction of housing, rental assistance, and related supportive services.

The purpose of the Consolidated Plan is:

- To identify a city's, county's or state's housing and community development needs, priorities, goals and strategies; and
- To stipulate how funds will be allocated to housing and community development activities during the five year planning period.

Annually, recipients of HUD block grant funds must prepare an Action Plan that details how funds will be spent in the current program year. This document combines the Five-year Strategic Plan with the 2020 Action Plans for Sacramento County and the City of Sacramento.

Funding and priorities. The Sacramento Region receives approximately \$52. million in CDBG; \$27 million in HOME; \$6.5 million in HOPWA; and \$4.4 million in ESG.

In past years, those funds have funded activities in the City of Sacramento such as:

- La Valentina Apartments Infrastructure
- Main Avenue Ballfield Improvements
- La Familia Community Center Improvements
- Stanford Settlement Children Program and Teen Center Improvements
- Mack Road and Valley Hi Traffic Signal Upgrade

Grants have funded activities in the Urban County of Sacramento such as:

- New construction of Varena and Arbor Creek Apartments
- The Avenues Streetlight Conversion Project
- McComber Parking Lot Improvements
- Watt Avenue Pedestrian Enhancement Project
- Bellview Park Improvements
- Rio Linda Community Center Improvements
- Isleton Bing Kong Tong Phase I Historic Rehabilitation

Activities serving both the City and County of Sacramento have included:

- Meals on Wheels
- Owner-Occupied Single-Family Rehabilitation
- Rapid Re-Housing
- Emergency Shelters
- Housing Opportunities for Persons with AIDS/HIV

Community engagement to inform the Plan. SHRA's goal for citizen participation is to ensure a broad participation of City and County residents and housing, economic, and service providers in the planning and implementation of community development and housing programming. Community engagement for the Five-Year Consolidated Plan and 2020 Annual Action Plan included the following distinct elements:

- Focus group sessions with representatives from City and County government (staff), nonprofit organizations, and other service providers to gain stakeholder input on the identification of City housing and community development needs.
- Additional meetings and telephone interviews with City and County departmental staff and other provider agencies and stakeholders throughout the planning process to understand the current scope of programs, issues, and **concerns**. The one-on-one conversations helped to develop strategies to address the community needs that were identified in the focus group sessions.
- Participation at community planning meetings in North, South, and Central Sacramento held in conjunction with development of the City of Sacramento General Plan to gather public input on needs. SHRA staff facilitated map-based exercises for residents to identify housing and community development needs at the neighborhood level.
- Incorporation of findings from the resident survey conducted as part of the regional fair housing study
- A 30-day draft public comment period and two public hearings during the public comment period.

Summary of public comments. *In the final plan submitted to HUD, this section will summarize the public comments received during the comment period.*

Five-year Priorities and Goals

During the Five-year Plan period, annual HUD block grant allocations will be prioritized to support the priority needs as described in the Strategic Plan Section and summarized below:

High priority needs

- Improvements in neighborhoods that have experienced disinvestment and/or have historically been underserved.
- Better accessibility (e.g., sidewalks, ADA improvements, accessible and visitable homes, and service facilities).
- Preservation of existing, affordable housing.
- Improved housing options and social and supportive services for people including but not limited to people with special needs and people experiencing homelessness.

Housing Priorities

- Preservation of existing affordable housing units that are in need of financial assistance to prevent the loss of units from the affordable inventory.
- Production of new, affordable units for households earning less than 50 percent of the Median Family Income (MFI) and especially 30 percent of the MFI.
- Addressing the root causes of homelessness.

Special Needs Populations Priorities

- Elderly and frail elderly persons
- Persons with HIV/AIDS and their families
- Individuals with alcohol and other drug addictions.

Neighborhood and Community Development Priorities

- Equalization of neighborhood facilities across all neighborhoods by bringing neighborhood infrastructure to the highest quality.
- Better accessibility (e.g., sidewalks, ADA improvements, accessible and visitable homes, and service facilities).

Plan to Remove or Ameliorate the Barriers to Affordable Housing

During the development of the Five-year Consolidated Plan, completion of an Analysis of Impediments to Fair Housing Choice (AI) was underway. The fair housing actions established to ameliorate the barriers identified in that analysis, which is part of this Consolidated Plan, include:

Goal 1. Incentivize development of affordable homeownership products. Support development or resale of affordable homeownership opportunities through both developers' operations and obtaining resources to support low income homebuyers, and affirmatively market to under-represented homeowners.

Goal 2. Expand affordable rental opportunities.

- a) **Encourage reasonable policies for tenant criminal history, rental history, and credit history.** Educate landlords and developers who benefit from public funding and development incentives to adopt reasonable policies on tenant criminal history, and to consider applicant with poor rental/credit histories on a case-by-case basis.
- b) **Increase accessible and affordable housing opportunities.** Set a goal for developing a range of affordability levels, handicapped-accessible housing units or otherwise incorporate affordable, handicapped-accessible housing in housing elements.
- c) **Encourage residential infill opportunities.** Increase residential infill opportunities through changes in zoning and long range plans.

Goal 3. Expand equity in access to economic opportunity.

- a) **Improve infrastructure and public facilities** in disadvantaged communities.
- b) **Connect low income residents to job opportunities.** Improve connections between low-income populations, especially Public Housing residents, and employment opportunities.
- c) **Reduce housing instability by closing service gaps.** Partner with mental health, recovery, and disability service providers to develop strategies for filling gaps in services and housing types to prevent housing instability and risk of re-institutionalization.

City of Sacramento

2020 One-Year Action Plan and Previous Years' Reprogramming

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

The Consolidated Plan outlines proposed strategies for the expenditure of CDBG, HOME, HOPWA, and ESG funds for the period 2020-24. In general, the mission of the Consolidated Plan is to revitalize selected lower-income neighborhoods and to assist disadvantaged populations by providing adequate public facilities and services, generating affordable housing opportunities, and stimulating economic development.

The One-Year Action Plan, and amendments, are updates to the Consolidated Plan. A key component of the One-Year Action Plan is the allocation of the funds to proposed activities. This portion of the plan describes activities the jurisdiction will undertake in the coming year, including geographic locations, funding allocations, and eligibility criteria. Proposed activities address the priority needs and specific objectives of the 2020-24 Consolidated Plan, adopted by the City Council on October 22, 2019.

The Sacramento Housing and Redevelopment Agency (SHRA), as the direct recipient of HUD funding, assumes the responsibility for environmental review, decision-making, and actions under the National Environmental Policy Act (NEPA). SHRA is also the lead agency for SHRA initiated projects under the California Environmental Quality Act (CEQA). Environmental review records are on file at SHRA.

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

Definitions:

Reprogrammed Funds are made available when an activity has been cancelled, completed with cost savings, or funds are being moved to ensure timely expenditure. CDBG funds may also include prior years' capital reserve funds.

Program Income are funds generated by a grant-supported activity (e.g., loan repayment, property sale, etc.).

The following programs are listed on the pages below: CDBG, HOME, ESG, and HOPWA

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Proposed activities are based on the following estimated revenues:

CDBG Revenue Source	Previous Years' Revenue Sources			
	2013-2017	2018	2019	2020 Action Plan
Estimated Entitlement				
Section 108 Reprogrammed Funds			\$517,072	\$4,798,618
Unobligated Capital Reserve Available for Reprogramming*	\$465,387	\$590,129	\$187,129	\$517,072
Program Income**	\$0	\$0	\$843,864	\$1,242,645
Total	\$465,387	\$590,129	\$1,548,065	\$4,851,451
				\$7,455,032

The following summarizes proposed CDBG activities for 2019. Activities are organized into Infrastructure and Public Facility Improvements, Housing Development, Preservation and Homeownership, Public Services, Grant Planning and Administration, Loan Repayments, and Capital Reserve.

CDBG Activity Summary	Previous Years Reprogramming	2020 Action Plan	Total
Infrastructure and Public Facility Improvements	\$490,000	\$1,456,422	\$1,946,422
Housing Development, Preservation and Homeownership	\$885,071	\$1,346,544	\$2,231,615
Public Services	\$156,224	\$441,776	\$598,000
Grant Planning and Administration	\$85,305	\$729,376	\$814,681
HUD Loan Repayments	\$640,000	\$722,000	\$1,362,000
Capital Reserve	\$346,981	\$155,333	\$502,314
Proposed Funding Total	\$2,603,581	\$4,851,451	\$7,455,032

*Reprogrammed Funds are made available when an activity has been cancelled, completed with cost savings, or are funds being moved to a new activity to ensure timely expenditure. Reprogrammed CDBG funds may also include prior years' capital reserve funds.

**Program Income are funds generated by a grant-supported activity (e.g., loan repayment, property sale, etc.). Program income for 2020 is estimated.

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹	CDBG Criteria ²
INFRASTRUCTURE AND PUBLIC FACILITY IMPROVEMENTS					
The following are recommended capital improvements of public or community-based facilities and public rights-of-way to be completed within 18 months. These activities, when appropriate, will be coordinated with other City Departments to maximize leveraging with the City's capital improvement plans.					
Robla Community Park: Design, engineering and construction of park improvements including, but not limited to ADA accessible walkways, playfield improvements and amenities. (D2)	\$0	\$200,000	\$200,000	2020 CDBG EN	03E/6701/LMA
Del Paso Boulevard Road Diet: Design of safety and traffic calming improvements for pedestrians and bicycles. Project boundaries are between Marysville and O'Farrel Drive. (D2)	\$0	\$100,000	\$100,000	2020 CDBG EN	03K/6300/LMA
River District Basketball Court: Design and engineering of a new basketball court and park facilities. The park will include facilities for tots and young children. (D3)	\$40,000	\$0	\$40,000	2017 CDBG EN	03E/5301/LMA
	\$30,000	\$0	\$30,000	2018 CDBG EN	
	\$70,000	\$0	\$70,000	Total	
Broadway Complete Street: This project would develop engineering plans for the project that will provide complete street facilities, including but not limited to new pedestrian and bicycle facilities, pedestrian crossings, on street parking, and other street improvements. Project boundaries are between 3rd Street and 24th Street. (D4 and D5)	\$0	\$250,000	\$250,000	2020 CDBG EN	03K/1900/LMA
Sim Center Traffic Signal/Wayfinding: ROW acquisition and construction of pedestrian, bicycle, and vehicle safety measures and ADA-compliant curb ramps: including signalizing the Elder Creek intersection and a flashing beacon at Lemon Hill. (amends the 2019 Action Plan project description). (D6)	\$100,000	\$0	\$100,000	2016 CDBG EN	03K/3203, 3204, 4801/LMA
	\$0	\$100,000	\$100,000	2020 CDBG EN	
	\$100,000	\$100,000	\$200,000		
Nielsen Park: Design and engineering plans for park improvements, including but not limited to ADA walkways, shade structure, trees, park furniture, other park amenities and improvements to the tennis courts and play fields. (D8)	\$70,000	\$0	\$70,000	2018 CDBG EN	03E/4904/LMA
Meadowview Park Improvements: Improvements of the existing tot lot and playground areas, ADA accessibility improvements, signage, landscaping, including, but not limited to trees, resurfacing of the basketball court, and other park improvements. (D8)	\$0	\$430,000	\$430,000	2020 CDBG EN	03E/4300/LMA
Meadowview Streetscape Phase 1 & 2: Construction of the ADA compliant pedestrian and bicycle improvements, streetscape improvements including, but not limited to street lighting, landscaping and other such improvements on Meadowview Road. Project boundaries begin approximately 600 feet west of 24th St to Detroit Blvd. (D8)	\$250,000	\$0	\$250,000	2018 CDBG EN	03K/Variou/LMA

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹	CDBG Criteria ²
Small Public Facility Notice of Funding Availability (NOFA): SHRA to issue Notice of Funding Availability (NOFA) for CDBG-eligible capital improvements to a public facility located in low- and moderate-income areas.	\$0	\$150,000	\$150,000	2020 CDBG EN	TBD
Capital Improvement Project Scoping and Environmental: Funding for early cost estimates, resource identification, conceptual design, environmental studies and/or the development of plans, strategies and studies for CDBG-eligible projects. Location and scope to be determined by an internal process of requests on first-come, first-served basis. CDBG staff to determine eligibility of activity.	\$0	\$25,000	\$25,000	2020 CDBG EN	TBD
Public Improvements Delivery: Staffing and supportive services for capital improvement projects.	\$0	\$201,422	\$201,422	2020 CDBG EN	03
Total CDBG Infrastructure and Public Improvements	\$490,000	\$1,456,422	\$1,946,422		

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹	CDBG Criteria ²
HOUSING DEVELOPMENT, PRESERVATION AND HOMEOWNERSHIP (CDBG Funds)					
The following are recommended activities that increase the marketability and livability of neighborhoods.					
Minor Repair & ADA for Seniors and Low-Income Homeowners Program: Provides for administrative costs associated with minor home repairs for low- and moderate-income homeowners and the administrative oversight for the Safe at Home Program and the Home Assistance Repair Program for Seniors (HARPS).	\$0	\$50,000	\$50,000	2020 CDBG EN	14H / LMH
Home Repair Program: This program provides grants to low income homeowners for health and safety repairs and accessibility modifications for moderate income disabled residents.	\$0	\$150,000	\$150,000	2020 CDBG EN	14A / LMH
Affordable Housing Rehabilitation Program: Provides loans and/or grants to rehabilitate low- and moderate-income multi-family housing units.	\$885,071	\$0	\$885,071	2019 CDBG EN	14B/LMH
	\$0	\$880,000	\$880,000	2020 CDBG EN	
	\$885,071	\$880,000	\$1,765,071	Total	
Housing Programs Implementation and Delivery: Supportive services for affirmatively furthering fair housing, affordable housing/multi-family rehabilitation/new construction, Section 3 related activities, environmental and emergency repair/accessibility programs and activities.	\$0	\$266,544	\$266,544	2020 CDBG EN	14A / 14B / 14G
Total CDBG Housing Development, Preservation and Homeownership	\$885,071	\$1,346,544	\$2,231,615		

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹	CDBG Criteria ²
PUBLIC SERVICES					
The following are recommended funding allocations to support human assistance programs. For CDBG, HUD limits funding for public services to 15 percent of the total amount of entitlement and previous year's program income.					
Homeless Activities: Funds will be used to design, administer, and implement homeless programs including but not limited to housing and shelter, detoxification, medical and counseling services, and provision of food.	\$0	\$63,000	\$63,000	2020 CDBG EN	05
Meals on Wheels: Provides meals to homebound seniors and to non-homebound seniors at approximately 20 dining sites.	\$156,224	\$0	\$156,224	2013 CDBG EN	05A
	\$0	\$378,776	\$378,776	2020 CDBG EN	
	\$156,224	\$378,776	\$535,000	Total	
	\$156,224	\$441,776	\$598,000		
Total CDBG Public Services					
					\$598,000
GRANT PLANNING AND ADMINISTRATION					
The following are related to immediate/intermediate term program planning, community participation and general program administration. For CDBG, HUD limits funding of these activities to 20 percent of the total amount of entitlement and program income.					
Promise Zone Planning and Administration: Funds to provide staffing and grant application activities.	\$0	\$75,900	\$75,900	2020 CDBG EN	20
Fair Housing Activities: Provide funds to further fair housing, including outreach, referral and other eligible activities to affirmatively further fair housing.	\$0	\$135,000	\$135,000	2020 CDBG EN	21D
Del Paso Boulevard Infrastructure Study: Prepare an infrastructure analysis and cost study for the Del Paso corridor to make it shovel ready and stimulate development on vacant lots.	\$60,000	\$0	\$60,000	2018 CDBG EN	20
CDBG Planning and Administration: Administrative and Planning Services for CDBG Programs.	\$25,305	\$0	\$25,305	2019 CDBG PI	21A
	\$0	\$518,476	\$518,476	2020 CDBG EN	
	\$25,305	\$518,476	\$543,781	Total	
	\$85,305	\$729,376	\$814,681		
Total Grant Planning and Administration					

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹	CDBG Criteria ²
HUD LOAN REPAYMENTS					
The following debt service payments for HUD Section 108 loans and internal SHRA loans for commercial revitalization, job creation, and infrastructure development.					
Section 108 Loan Repayment - Del Paso Nuevo: Annual debt service payment on Section 108 loan funds. If program income is utilized towards the debt service payment then unused entitlement funds will be utilized towards project costs (3 years remaining).	\$108,247	\$0	\$108,247	2015 CDBG EN	19F
	\$14,681	\$0	\$14,681	2016 CDBG EN	
	\$517,072	\$0	\$517,072	2019 CDBG EN	
	\$640,000	\$0	\$640,000	Total	
Section 108 Loan Repayment - Twin Rivers: Annual debt service payment on Section 108 loan funds. If program income is utilized towards the debt service payment then unused entitlement funds will be utilized towards project costs (22 years remaining).	\$0	\$722,000	\$722,000	2020 CDBG EN	19F
Total CDBG Section 108 Loan Repayment	\$640,000	\$722,000	\$1,362,000		
CAPITAL RESERVE					
Capital Reserve: Reserve accounts for overruns in capital improvement activities and to fund budgeted activities if CDBG entitlement is less than anticipated. The reserve is also available to cover unanticipated project and program costs to bring an activity to completion. The full amount of the reserve is available to ensure the timely completion of the activities.	\$42,122	\$0	\$42,122	2016 CDBG EN	22
	\$4,113	\$0	\$4,113	2017 CDBG EN	
	\$180,129	\$0	\$180,129	2018 CDBG EN	
	\$120,617	\$0	\$120,617	2019 CDBG EN	
Total CDBG Capital Reserve		\$155,333	\$155,333	2020 CDBG EN	
	\$346,981	\$155,333	\$502,314		

RESOLUTION NO. 2019-

Adopted by the Sacramento City Council

ESTABLISH CAPITAL IMPROVEMENT PROJECTS FOR ROBLA COMMUNITY PARK PROJECT, RIVER DISTRICT BASKETBALL PARK PROJECT, AND DEL PASO INFRASTRUCTURE PROJECT

BACKGROUND

- A. The Nielsen Park Project (L19141600), Robla Community Park Project (L19155110), River District Basketball Court Park Project (L19004800), and Del Paso Infrastructure Project (PROJECT#) are included in the 2020 One-Year Action Plan for the Community Development Block Grant (CDBG) funding, which is to be approved under a separate resolution.
- B. The Nielsen Park Project (L19141600) will develop design and engineering plans to replace damaged walkways and add shade trees, sports amenities, picnic amenities, and a shade canopy for the play structure. The Robla Community Park Project (L19155110) will install ADA-accessible perimeter walkways, soccer goals, park benches, and volleyball posts and net. The River District Basketball Court Park Project (L19004800) will design a replacement for park with recreation amenities for Twin Rivers residents. The Del Paso Infrastructure Project (PROJECT#) will implement infrastructure analysis and cost study for the Del Paso corridor.
- C. Establishing the projects as Capital Improvements Projects (CIP) provides a necessary first step to beginning design and/or construction activities. The revenue and expenditure budgets, and transfer of CDBG funds will occur upon execution of an Individual Project Agreement (IPA) for each project.

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

- Section 1. A new capital improvement project for Nielsen Park Project is hereby established as (L19141600).
- Section 2. A new capital improvement project for Robla Community Park Project is hereby established as (L19155110).
- Section 3. A new capital improvement project for River District Basketball Court Park Project is hereby established as (L19004800).
- Section 4. A new capital improvement project for Del Paso Infrastructure Project is hereby established as (PROJECT#).

RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF

October 2, 2019

AUTHORITY TO SUBMIT THE ANALYSIS OF IMPEDIMENTS; APPROVAL OF THE 2020-2024 CONSOLIDATED PLAN; APPROVAL OF THE 2020 ONE-YEAR ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME), HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA), AND EMERGENCY SOLUTIONS GRANT (ESG) FUNDED PROJECTS AND PROGRAMS; AMENDMENT OF PRIOR YEARS' ACTION PLANS; AMENDMENT TO THE SACRAMENTO HOUSING AND REDEVELOPMENT BUDGET; EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF FEDERAL PROGRAMS; AND OTHER RELATED ACTIONS

NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1: All evidence presented having been duly considered, the Sacramento Housing and Redevelopment Commission accepts the findings are found to be true and correct and are hereby adopted.

Section 2: The 2020-2024 Consolidated Plan, which lays out the strategic goals for CDBG, HOME, ESG and HOPWA programs, as set out in Exhibit B, is adopted.

Section 3: Subject to approval of the 2020 One-Year Action Plan by the Sacramento City Council and the Sacramento County Board of Supervisors, the Executive Director, or designee, is authorized to:

- Amend the SHRA budget to allocate the CDBG, HOME, HOPWA, and ESG grant funding for programs and projects in accordance with the amendment of the prior years' Action Plan and 2020 One-Year Action Plan.
- Amend CDBG Capital Reserve, HOME, HOPWA, and ESG budgets if HUD awards are less than or greater than anticipated to the extent necessary to implement and ensure the timely completion of activities.

- Execute agreements, contracts, and documents with HUD and the appropriate entities to carry out the Action Plans' activities in compliance with adopted policies, guidelines and federal law, as approved to form by SHRA Counsel.
- Submit the AI 2020-2024 Consolidated Plan and 2020 One-Year Action Plan and amendments to prior years' action plans to HUD.

Section 5: The Executive Director, or designee, is authorized to enter into Cooperation Agreements with non-entitlement jurisdictions to carry out CDBG, HOME, and ESG activities on behalf of the City and County, and Consortium Agreements with entitlement jurisdictions to carry out HOME activities on their behalf within the County, and which agreements will be executed every 3 years.

Section 6: The Executive Director, or designee, is authorized to enter into the Memorandum of Understanding (MOU) with the County for the One-Year Action Plan Allocation Process to enhance cooperation and communication between the County and SHRA.

CHAIR

ATTEST:

CLERK



September 19, 2019

**Sacramento Housing and
Redevelopment Commission
Sacramento, CA**

Honorable Members in Session:

SUBJECT:

Authorize the Submission the Analysis of Impediments (AI); Adopt the 2020-2024 Consolidated Plan; Approval of the 2020 One-Year Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Funded Projects and Programs; Amendment of Prior Years' Action Plans; Amendment to the Sacramento Housing and Redevelopment Agency (SHRA) Budget; and Other Related Actions

SUMMARY:

The attached report is submitted to you for review and recommendation prior to consideration by the County of Sacramento.

RECOMMENDATION:

Staff recommends approval of the recommendations outlined in this report.

Respectfully Submitted


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
October 22, 2019

To: Board of Supervisors

Through: Navdeep S. Gill, County Executive

From: La Shelle Dozier, Executive Director, Sacramento Housing
and Redevelopment Agency

Subject: Authorize The Submission Of The Analysis of Impediments
(AI); Adopt The 2020-2024 Consolidated Plan; Approval Of
The 2020 One-Year Action Plan For The Community
Development Block Grant (CDBG), HOME Investment
Partnerships Program (HOME), And Emergency Solutions
Grant (ESG) Funded Projects And Programs; Amendment
Of Prior Years' Action Plans; Amendment To The
Sacramento Housing And Redevelopment Agency (SHRA)
Budget; Authorize Cooperation Agreements With Non-
entitlement Jurisdictions For CDBG, HOME, And ESG
Activities And Consortium Agreements With Entitlement
Jurisdictions For HOME Activities; Execute A Memorandum
Of Understanding For The One Year Action Plan Allocation
Process

District(s): All

RECOMMENDED ACTION

Adopt the attached Board of Supervisors Resolution that Authorizes SHRA to submit the Analysis of Impediments to the U.S. Department of Housing and Urban Development (HUD) Attachment 1; Adopts the 2020-2024 Consolidated Plan which lays out the strategies and goals for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME) and Emergency Solutions Grant (ESG) programs, as set out in Attachment 2; Directs SHRA to amend its budget accordingly; Authorizes the County Executive, or designee to execute agreements with SHRA to carry out the 2020 One-Year Action Plan activities; Authorizes SHRA to execute any and all related documents, as necessary to carry out the federal and local programs; Delegates SHRA to execute agreements and contracts with HUD and appropriate entities to implement the Action Plan; Authorizes SHRA to submit the 2020 Action Plan Action Plan to HUD; Authorizes SHRA to enter into Cooperation or HOME Consortium Agreements with jurisdictions located

Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process

Page 2

within the County; and Authorizes the County Executive and SHRA to enter into the Memorandum of Understanding (MOU) for the One-Year Action Plan Allocation Process Attachment 4.

BACKGROUND

Since 1982, SHRA has managed and administered federal housing, public service and community development funds on behalf of the City and County of Sacramento (City and County) and has served as the federal housing and community development staffing entity pursuant to a joint powers agreement between the City and County and its Housing Authorities. HUD requires the submission of an Analysis of Impediments to Fair Housing, a Consolidated Plan and One-Year Action Plans to continue funding for these programs.

Analysis of Impediments

In 2015, HUD published the Final Rule for Affirmatively Furthering Fair Housing (AFFH) which replaced the Analysis of Impediments (AI) with the Assessment of Fair Housing (AFH). The AFFH rule established a process that participating jurisdictions such as local governments, states, and public housing agencies, must use to meet their long-standing obligations to affirmatively further fair housing. SHRA, on behalf of the City and the County, has a responsibility to affirmatively further fair housing within the jurisdictions covered by its programs. In 2016, the County authorized SHRA to enter into collaboration agreements with surrounding municipalities and public housing authorities to perform a regional AFH. In January 2018, HUD suspended the AFH requirement and instructed grantees to complete an AI.

All the participating municipalities agreed to proceed with the AI. The draft AI was released for public comment on September 3, 2019. The draft AI (AI Executive Summary Attachment 1) identifies actions needed to overcome the effects of impediments to fair housing which are incorporated into the Consolidated Plan.

Consolidated Plan

A Consolidated Plan is required of any city, county or state that receives federal block grant dollars for housing and community development funding from HUD. HUD consolidated the planning and application process of formula grant programs in 1995, with the purpose of coordinating program requirements and simplifying the process of requesting and obtaining federal funds. The County of Sacramento receives three formula grants: CDBG,

Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process

Page 3

HOME, and ESG. The consolidated planning process is intended to achieve the following:

- Promote citizen participation in the development of local priority needs benefiting low- and moderate- income persons.
- Develop a series of One-Year Action Plans that will be the basis for assessment of performance.
- Consult with public and private agencies to identify needs and appropriate actions required to address their needs.

The 2020-24 Consolidated Plan is a joint City-County planning document that identifies the areas housing, public service, and community development needs and describes a long-term strategy to meet those needs. The Consolidated Plan provides a vision, goals and strategies for allocation of these federal formula grant funds.

The Consolidated Plan has three overarching goals to address community needs including: 1) Provide affordable housing, including for those with special needs; 2) Provide a suitable living environment through more livable and integrated neighborhoods; and 3) Expand economic opportunities, especially for low- and moderate-income persons. The activities the County will undertake to achieve the stated objectives in 2020 are detailed in Attachment 2. These activities are designed to serve extremely low-, low-, and moderate-income residents by funding programs and projects in the following categories: 1) Infrastructure and Public Improvements, 2) Affordable Housing Development, and 3) Public Services. The Consolidated Plan's goals and priorities for the County were developed through an extensive community engagement process and consultation with public agencies in the County.

Action Plan

This document provides details of the proposed 2020 One-Year Action Plan programs, activities, and budgets for the year beginning January 1 through December 31, 2020. In addition, staff is proposing to amend prior years' Action Plans to allocate capital reserve and program income from the federal programs to fund activities. A noticed public hearing soliciting comments on the 2020 One-Year Action Plan was held by the Sacramento Housing and Redevelopment Commission on October 2, 2019.

The One-Year Action Plan describes the resources expected to be available in the coming program year from federal, nonfederal, and private sources. It

Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process

Page 4

includes a description of the activities that will be undertaken to meet the specific objectives in the Consolidated Plan. In subsequent years, the One-Year Action Plan will be used to update the Consolidated Plan. It also provides the County with a basis for assessing its progress in meeting the goals of the Consolidated Plan through the Consolidated Annual Performance and Evaluation Reports (CAPER).

The Action Plan's key components are broken down in the following sections:

Infrastructure and Public Facility Improvements

There is a continuing need within the County for infrastructure and public facility improvements to serve low- and moderate-income areas in the County within older neighborhoods that either have inadequate facilities or where existing facilities suffering from heavy use or deferred maintenance, leading to disrepair. Capital improvement funding identified in the Action Plan strives for maximum leveraging opportunities in order to provide the greatest impact to residents. Supporting large infrastructure and public facility improvement projects benefiting low- and moderate-income areas is a key objective of the County's CDBG Program.

The proposed One-Year Action Plan infrastructure and public facility improvement projects were selected through consultation with County staff and were based on the ability for them to be completed in a timely manner, CDBG program eligibility, and current County of Sacramento priorities. The Action Plan recognizes the limited federal, state and local funding and strategically focuses funding on fewer, but larger projects in low- and moderate-income neighborhoods. The goal is to create activities which generate strategic and visible impacts that promote positive changes within the community.

Housing

The housing activities outlined out in the Action Plan seek to support, increase and improve the multi-family housing stock, fund minor and emergency repairs to existing single-family homes, and provide decent and affordable housing to low- and moderate-income individuals. SHRA's ability to respond to difficult housing issues has been constrained in recent years due to the limited amount of entitlement grants from the federal government and limited state and local funding. As a result, resources from CDBG have been consistently targeted over the Consolidated Planning period towards housing rehabilitation and in support of housing development.

Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process

Page 5

Additionally, efforts have been made to reduce mobility barriers for low- and moderate-income households by supporting infrastructure improvements along transit corridors in conjunction with housing development and community facilities in designated neighborhoods. This strategy is part of SHRA's efforts to support equitable Transit-Oriented Development, which is proven to lead to increased opportunities for low- and moderate-income residents to live closer to their place of work and enjoy greater interaction with their surrounding community and amenities. To maximize fair housing choice, affordable housing rehabilitation and new construction are not limited to low- and moderate-income areas and can be developed where it is most appropriate. Guidelines for investing in affordable housing rehabilitation and new construction activities were approved by the Board of Supervisors separately as part of SHRA's Multifamily Lending and Mortgage Revenue Bond Policies.

HOME Program

The HOME Program empowers grantees to design and implement affordable housing strategies to respond to locally determined needs. HOME funds, unlike CDBG, can be used for new construction. Additionally, HOME funds are also used for rehabilitation of existing housing.

Homeless Services

SHRA is part of the Continuum of Care Advisory board and is committed to partnering with Sacramento Steps Forward (SSF), the lead agency for the Continuum of Care (CoC). As such, SHRA continues to participate in discussions about the most effective ways to reach out to homeless individuals and to assess their individual needs as part of ongoing coordination efforts. It is recognized within the Action Plan that the County has determined addressing homelessness as a high priority. SHRA continues to work with County staff on the most strategic use of federal funding for homeless services, including CDBG and ESG to reflect and complement the broader commitments of the County to prevent and end homelessness.

Objectives to address homelessness in 2020 include supporting the continuation of the CoC homeless assistance system for individuals and families through the provision of emergency shelters, rapid re-housing/prevention services, and permanent supportive housing services, and supportive services for low-and moderate-income individuals and those with special needs, including the homeless and persons living with HIV/AIDS.

Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process

Page 6

As part of the Action Plan, CDBG and ESG funding is expected to continue for established programs which include emergency shelters, rapid re-housing and other actions related to the prevention of homelessness.

Emergency Solutions Grant

SHRA, on behalf of the County of Sacramento, administers ESG funding. Upon approval of the Action Plan by the Sacramento Board of Supervisors, SHRA will execute subrecipient agreements for rapid re-housing and emergency shelter programs. Rapid re-housing services include housing search and placement, housing stability case management, direct short-term rental assistance, rental application fees, security/utility deposits, and first/last months' rent.

State ESG Update

In April 2016, the Sacramento Housing and Redevelopment Commission (Commission) and the Sacramento County Board of Supervisors (Board) authorized and approved SHRA as the Administrative Entity (AE) to receive funds and administer State of California's Housing and Community Development's ESG Rapid Re-Housing (RRH) program by Commission Resolution No. 2016-04 and Board Resolution No. 2016-0233. Additional information regarding accomplishments is outlined in Attachment 5.

Public Services

An overall priority for CDBG is to increase self-sufficiency and economic opportunity for low-income residents and individuals with special needs so that they can achieve a reasonable standard of living. The priority in the Consolidated Plan for the utilization of public service funding is to support the provision of vital services to the County's most vulnerable populations, such as providing meals to seniors and the services and emergency shelter to homeless households.

Fair Housing

SHRA, the City and County of Sacramento, and the Cities of Citrus Heights, Elk Grove and Rancho Cordova implement fair housing services through local partnerships. The result is the Renter's Hotline, which serves as a central intake point to provide counseling, dispute resolution and fair housing services for Sacramento County residents in a housing crisis or dispute. Access is through telephone and the internet. Other components include fair

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Page 7

housing education and training for landlords, implicit bias training and fair housing investigation/testing/litigation.

Agreement Cities

Per HUD guidelines and Notice CPD-17-03, Sacramento County is considered an Urban County because it has a population of more than 200,000 in its unincorporated areas and participating incorporated areas. Local jurisdictions within an Urban County that are considered a non-entitlement City due to incorporation, but not large enough to be an Entitlement City as defined by HUD, are able to enter into Cooperation Agreements for CDBG, HOME, and ESG funding with SHRA, on behalf of the County. Entitlement Cities have the option to enter into Consortium Agreements with SHRA for HOME funding only. Entering into an agreement with SHRA allows for the jurisdiction's low- and moderate-income populations to be included in the calculation for receiving entitlement funds from HUD. These funds, less any administration, are made available to that jurisdiction for HUD-funded activities depending on the type of agreement. Absent utilizing the Urban County, such jurisdictions and their population are counted into the state formula and must access funds on a competitive basis through the state. Such access may be limited, and thus it is more advantageous to partner with the Urban County.

In 2017, SHRA was authorized to enter into three-year (2018-2020) Cooperation Agreements with Folsom, Isleton and Galt for CDBG, HOME, and ESG funding, and a HOME Consortium Agreement with the cities of Citrus Heights and Rancho Cordova (Resolution 2017-0552). These agreements will expire in 2020, therefore staff request authority to prepare and execute agreements for 2021 – 2023.

Staff will continue to work with existing jurisdictions and jurisdictions to develop essential and viable community development and HOME projects for their residents. Additionally, residents of Agreement Cities will continue to benefit from CDBG-funded programs offered countywide since their populations are accounted for in HUD funding.

Annual One-Year Action Plan Allocation Process

On May 21, 2019, SHRA presented a proposed One-Year Action Plan Allocation process to the Board of Supervisors for input. The proposed process will provide specific opportunities for input from the Board of Supervisors, the County Executive, the community and County Departments.

Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process

Page 8

Additionally, it works in tandem with the development of the County's Capital Improvement Program which will better align funding resources to improve housing, economic and community development opportunities for low and moderate income residents of Sacramento. The report recommends that the County and SHRA execute a memorandum of understanding officially adopting this new allocation process (Attachment 4).

COMMISSION ACTION

At its meeting of October 2, 2019 the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

POLICY CONSIDERATIONS

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

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): Commitment of funding for new projects that could result in a direct or indirect physical change to the environment is subject to environmental review under the California Environmental Quality Act (CEQA) if implementation of the projects is authorized as part of the budgeting process. The recommended actions are considered administrative or fiscal activities and do not constitute a commitment of funding to any of the projects identified in the Action Plan, and therefore are not considered a project subject to CEQA pursuant to 14 CCR section 15378(b). Environmental review pursuant to CEQA will be completed prior to any project commitment. Activities identified in the Action Plan as public and supportive services and program administration activities are not considered a project subject to CEQA pursuant to 14 CCR section 15378(b), and no further CEQA review is required for these activities.

Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process

Page 9

National Environmental Policy Act (NEPA): All new federally funded projects are subject to environmental review under the requirements of the National Environmental Policy Act (NEPA) and, pursuant to HUD regulations, prior to any commitment of federal funds for expenditure unless such projects are deemed exempt from review. The recommended actions are considered administrative or fiscal activities and do not constitute a commitment of funding to any of the projects identified in the Action Plan, and therefore are exempt from NEPA pursuant to 24 Code of Federal Regulations (CFR) sections 58.34(a)(1) and 58.34(a)(3). Activities identified in the Action Plan as public services are exempt under NEPA pursuant to 24 CFR 58.34(a)(4), supportive services are categorically excluded not subject to §58.5, and program administration activities are exempt pursuant to 24 CFR 58.34(a)(3), and no further NEPA review is required for these activities.

M/WBE/SECTION 3 CONSIDERATIONS

Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable.

Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process
Page 10

FINANCIAL ANALYSIS

Proposed activities are based on the following estimated revenues:

Revenue Source	Previous Years Reprogramming	2020 Estimated Revenue	Total
CDBG Entitlement	\$0	\$5,767,322	\$5,767,322
CDBG Program Income ¹	\$1,311,523	\$707	\$1,312,230
CDBG Reprogrammed Funds ²	\$0	\$0	\$0
CDBG Capital Reserve	\$1,215,000	\$0	\$1,215,000
HOME Entitlement	\$0	\$2,992,126	\$2,992,126
HOME Program Income ¹	\$5,548,983	\$871,404	\$6,420,387
ESG Entitlement	\$0	\$484,844	\$484,844
Revenue Subtotal	\$8,075,506	\$10,116,403	\$18,191,909

¹Program income are funds generated by a grant-supported activity (e.g., loan repayment, property sale, etc.). 2020 program income is estimated.

²Reprogrammed Funds are made available when an activity has been cancelled, completed with cost savings, or funds are being moved to ensure timely expenditure. Reprogrammed CDBG funds may include prior years' capital reserve funds.

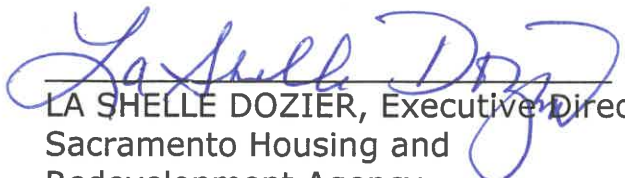
The CDBG Unallocated capital reserve budgeted in the 2020 One-Year Action Plan is approximately 11 percent (or \$637,069) of the 2020 CDBG entitlement. Refer to Attachment 3 for additional information. Staff anticipates that the 2020 federal budget will be held constant at 2019 funding levels. If Congress ultimately approves funding in a lesser amount, the reserve will be used to fund budgeted projects. SHRA is authorized to obligate the capital reserve to activities described in this Action Plan.

Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process

Page 11

Respectfully Submitted,

APPROVED
NAVDEEP S. GILL,
County Executive


LA SHELLE DOZIER, Executive Director
Sacramento Housing and
Redevelopment Agency

By: _____
ROBERT B. LEONARD
Deputy County Executive

Attachments:

RES – County BOS Resolution

ATT 1 – Analysis of Impediments Executive Summary

ATT 2 – 2020-2024 Consolidated Plan Executive Summary

ATT 3 – Proposed 2020 Action Plan Activities

ATT 4 – Memorandum of Understanding for the One-Year Action Plan
Allocation Process

ATT 5 – State ESG Update

RESOLUTION NO. _____

APPROVAL OF THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE (AI); APPROVAL OF THE 2020-2024 CONSOLIDATED PLAN; APPROVAL OF THE 2020 ONE-YEAR ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME), AND EMERGENCY SOLUTIONS GRANT (ESG) FUNDED PROJECTS AND PROGRAMS; AMENDMENT OF PRIOR YEARS' ACTION PLANS; AUTHORIZATION TO EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF FEDERAL PROGRAMS; AUTHORIZATION TO ENTER INTO COOPERATION OR HOME CONSORTIUM AGREEMENTS WITH JURISDICTIONS LOCATED WITHIN SACRAMENTO COUNTY; AMENDMENT TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AND OTHER RELATED FINDINGS

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires the completion of an AI. The AI identifies policies, practices, and procedures that affect housing choice for low-income households, and are incorporated in the Consolidated Plan and annual Action Plan;

WHEREAS, HUD requires adoption of a Five-Year Consolidated Plan and annual Action Plan, consistent with the Consolidated Plan, to identify the programs and projects for expenditure of federal CDBG, HOME, and ESG;

WHEREAS, since 1982 the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the County of Sacramento, has served as the public entity designated to efficiently administer the CDBG program and was subsequently designated as the public entity to administer HOME and ESG, funding originated from HUD;

WHEREAS, on July 25, 2017, the Agency was given the authority to enter into Cooperation Agreements with non-entitlement jurisdictions to carry out CDBG, HOME, and ESG activities on their behalf and Consortium Agreements with entitlement jurisdictions to carry out HOME activities on their behalf within the County and which agreements will be executed every three years;

WHEREAS, as the recipient of HUD funding and designated agent for the County of Sacramento, SHRA is authorized to submit environmental

Approval Of The Analysis Of Impediments To Fair Housing Choice (AI); Approval Of The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Authorization To Execute Documents For The Administration Of Federal Programs; Authorization To Enter Into Cooperation Or HOME Consortium Agreements With Jurisdiction Located Within Sacramento County; Amendment To The Sacramento Housing And Redevelopment Agency Budget; And Other Related Findings
Page 2 of 5

determinations on the County's behalf and on behalf of non-profit subrecipients;

WHEREAS, a noticed public hearing soliciting comments on the AI, 2020-2024 Consolidated Plan, and the 2020 One-Year Action Plan was held by the Sacramento Housing and Redevelopment Commission on October 2, 2019, which fell within the 30 day comment period; and

WHEREAS, the recommended actions are considered administrative or fiscal activities and do not constitute a commitment of funding to any of the projects identified in the Action Plan, and therefore are not considered a project subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378, and are exempt under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a) (1) and (3). Environmental reviews for individual activities or programs identified in the Action Plan will be completed prior to project commitment or choice limiting actions. Activities identified in the Action Plan as public services, supportive services, and program administration have been reviewed pursuant to CEQA and NEPA and no further review is required for these activities.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO:

Section 1: All evidence present having been dully considered, the Sacramento County Board of Supervisors accept the findings, which are found to be true and correct are hereby adopted.

Section 2: SHRA is directed to submit the AI to HUD, as set out in Attachment 1, as adopted.

Approval Of The Analysis Of Impediments To Fair Housing Choice (AI); Approval Of The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Authorization To Execute Documents For The Administration Of Federal Programs; Authorization To Enter Into Cooperation Or HOME Consortium Agreements With Jurisdiction Located Within Sacramento County; Amendment To The Sacramento Housing And Redevelopment Agency Budget; And Other Related Findings
Page 3 of 5

Section 3: The 2020-2024 Consolidated Plan, which lays out the strategic goals for CDBG, HOME, and ESG programs, as set out in Attachment 2, is adopted.

Section 4: Amendments to prior years Action Plans and adoption of the 2020 One-Year Action Plan, which allocates CDBG, HOME, and ESG funds to various programs and projects as set forth in Attachment 3, are approved.

Section 5: SHRA is authorized to amend its budget in accordance with Attachment 3 and amend CDBG, HOME, and ESG budgets if HUD awards are less or greater than anticipated to the extent necessary to implement and ensure the timely completion of the activities set out in Attachment 3.

Section 6: The County Executive, or designee, is authorized to execute agreements with SHRA to carry out Action Plan activities continued in the 2020 One-Year Action Plan and amendment to various years' Action Plans in compliance with adopted policies, guidelines, regulations as approved to form by SHRA Counsel.

Section 7: SHRA is authorized to make any budget adjustments and execute any and all related documents, including invoicing, contracts, and amendments as necessary to carry out the activities identified in the amended various years' Action Plans and 2020 One-Year Action Plan in compliance with applicable federal laws and regulations.

Approval Of The Analysis Of Impediments To Fair Housing Choice (AI); Approval Of The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Authorization To Execute Documents For The Administration Of Federal Programs; Authorization To Enter Into Cooperation Or HOME Consortium Agreements With Jurisdiction Located Within Sacramento County; Amendment To The Sacramento Housing And Redevelopment Agency Budget; And Other Related Findings
Page 4 of 5

Section 8: SHRA is authorized to submit the 2020-2024 Consolidated Plan and 2020 One-Year Action Plan and amendments to prior years' Action Plans to HUD.

Section 9: The County Executive and the SHRA are authorized to enter into the Memorandum of Understanding for the One-Year Action Plan Allocation Process to enhance cooperation and communication between the County and SHRA.

Section 10: SHRA is authorized to enter into Cooperation Agreements with non-entitlement jurisdictions to carry out CDBG, HOME, and ESG activities on their behalf and Consortium Agreements with entitlement jurisdictions to carry out HOME activities on their behalf within the County from 2021-2023.

Approval Of The Analysis Of Impediments To Fair Housing Choice (AI); Approval Of The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Authorization To Execute Documents For The Administration Of Federal Programs; Authorization To Enter Into Cooperation Or HOME Consortium Agreements With Jurisdiction Located Within Sacramento County; Amendment To The Sacramento Housing And Redevelopment Agency Budget; And Other Related Findings
Page 5 of 5

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 22 day of October, 2018, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

Executive Summary

Sacramento Valley Fair Housing Collaborative AI

The Analysis of Impediments to Fair Housing Choice, or AI, is a planning process for local governments and public housing agencies (PHAs) to take meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. This study was conducted for the Sacramento Valley region as a joint effort among the following entities:

- The City of Citrus Heights,
- The City of Davis,
- The City of Elk Grove,
- The City of Folsom,
- The City of Galt,
- The City of Isleton,
- The City of Rancho Cordova,
- The City of Rocklin,
- The City of Roseville,
- The City of Sacramento,
- The Housing Authority of Sacramento,
- Sacramento County,
- The Sacramento Housing and Redevelopment Agency,
- The City of West Sacramento,
- The City of Woodland, and
- Yolo County Housing.

Community Engagement

The community engagement process for the Sacramento Valley AI included focus groups with residents and stakeholders, “pop up” engagement at local events, and a resident survey.

Stakeholder focus groups were supplemented with in-depth interviews as needed and as opportunities arose.

In partnership with the participating jurisdictions and nonprofit organizations throughout the region the project team facilitated six resident focus groups and six stakeholder focus groups. The 80 resident focus group participants included:

- African American mothers hosted by Her Health First;
- African American and Hispanic residents hosted by Sacramento Self-Help Housing;
- Low income families with children hosted by the Folsom Cordova Community Partnership/Family Resource Center;
- Residents with disabilities hosted by Advocates for Mentally Ill Housing;
- Residents with disabilities hosted by Resources for Independent Living; and
- Transgender residents hosted by the Gender Health Center.

Stakeholder focus groups included 35 participants representing organizations operating throughout the region. It is important to note that, for the purpose of this report, “stakeholders” include people who work in the fields of housing, real estate and development, supportive services, fair housing advocacy, education, transportation, economic equity, and economic development. We recognize that residents living in the region are also stakeholders. We distinguish them as “residents” in this report to highlight their stories and experiences.

A total of 577 residents participated in engagement activities at local events. A resident survey was available in Chinese, Korean, Russian, Spanish, and Vietnamese both online and accessible to participants using assistive devices (e.g., screen readers), and in a postage-paid paper mail-back format.

Community Engagement Participants



2019 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

COMMUNITY ENGAGEMENT BY THE NUMBERS

4,080
total participants

RESIDENT SURVEY

3,388 participants

RESIDENT FOCUS GROUPS

80 participants

COMMUNITY POP UPS

577 participants

STAKEHOLDER FOCUS GROUPS

35 participants

WHO PARTICIPATED IN THE SURVEY?



957
had children under 18
in the household



1,128
had a household member
with a disability



1,016
had a household income
of \$25,000 or less



401
had large households
(5 or more members)

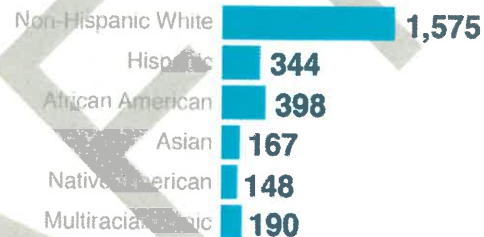


450
had publicly
supported housing



41
were residents with
Limited English Proficiency

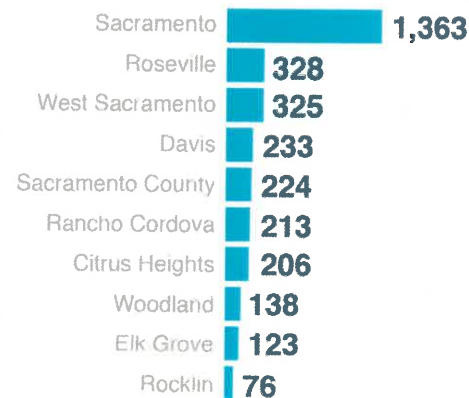
RACE/ETHNICITY



HOUSING SITUATION



PLACE OF RESIDENCE



Source: Root Policy Research.

Primary Findings

Segregation and integration. Segregation and lack of access to economic opportunity persists in many areas of the region, both within and across jurisdictions. Although the region has grown more diverse, the effects of past systematic segregation and exclusion in housing still disproportionately impact members of protected classes.

- **Family poverty.** Overall in the region, 16 percent of people live in poverty. Differences in the proportion of persons living in poverty range from a low of 9 percent (Rocklin and Roseville) to a high of 21 percent in Sacramento and 29 percent in Davis (inflated due to the student population). Non-Hispanic White residents have very low poverty rates relative to Black and Hispanic families and compared to Asian families in some jurisdictions (cities of Sacramento and Davis, and the Balance of Sacramento County). Residents with disabilities between the ages of 18 and 64 are twice as likely to live in poverty as their 18 to 64 year old neighbors without disabilities.
- **Segregation.** By measures of both citywide and neighborhood diversity, the City of Sacramento has been ranked one of the most diverse and integrated large cities in the United States. However, like other American cities, Sacramento and the greater region have a past of systematic segregation and exclusion in housing. The suburbs east of Sacramento, such as Roseville, Rocklin, Citrus Heights and Folsom tend to be more non-Hispanic White or Asian than the city itself. Black residents tend to be predominantly located within the City of Sacramento more than other racial and ethnic groups. Concentrations of foreign-born residents are evident in Woodland, north Sacramento, Antelope (in northern Sacramento County) and across the south side of Sacramento. Segregation of persons with disabilities is low across the region.

Disproportionate housing needs. In the Sacramento Valley region, the most significant disproportionate housing needs are found in:

- **Homeownership rates.** Homeownership rates vary widely by race and ethnicity both within and among jurisdictions. The lowest Black homeownership rate (17%) is found in Woodland and the lowest Hispanic homeownership rate (27%) is found in Davis. The Black/White homeownership gap exceeds 30 percentage points in Citrus Heights, Davis, Rancho Cordova, the Balance of Sacramento County, and Woodland. Compared to the Black/White difference, the homeownership gap between Hispanic and Non-Hispanic White households ranges from 10 percentage points in Elk Grove and Rocklin to more than 20 percentage points in Citrus Heights, Davis, Rancho Cordova, Woodland, and the Balance of Sacramento County. Among resident survey participants, households that include a member with a disability are half as likely as non-disability households to own a home (25% v. 53%).

Across the board, all minority groups experience higher rates of mortgage loan denials than non-Hispanic White applicants for each loan purpose (i.e., home improvement, purchase, or refinance). While the share of loans categorized as subprime has fallen

since the Great Recession, Hispanic households are more likely than any other group to receive a subprime loan.

- **Cost-burden and housing challenges.** African American and Hispanic households in the region have the highest rates of experiencing a housing problem (e.g., cost burden, crowding). White, non-Hispanic households are the least likely to experience housing problems across the region and in each jurisdiction.

The resident survey and focus groups found meaningful differences in housing challenges experienced by members of protected classes. Worry about rent increases, being unable to buy a home, and worry about property taxes are among the concerns identified by the greatest proportions of members of protected classes. Households that include a member with a disability may experience housing challenges related to needed modifications to the home or accommodations from their housing provider. Overall, one in three (35%) households that include a member with a disability live in a home that does not meet the needs of the resident with a disability.

- **Displacement experience.** Overall, one in four (25%) survey respondents had been displaced from a housing situation in the Sacramento Valley in the past five years. The most common reasons for displacement—rent increased more than I could pay, personal reasons, landlord selling home, and living in unsafe conditions. African American, Hispanic, and Native American respondents, large families, households with children, and respondents whose household includes a member with a disability all experienced higher displacement rates than regional survey respondents overall. While displacement rates are higher, the reasons for displacement are generally the same as those of regional respondents.

Overall, by the above measures, the most equity in housing choice compared to the region exists in:

- Citrus Heights, Elk Grove, and Rancho Cordova—residents of these communities are as likely as regional residents to experience housing challenges; and
- Elk Grove, Rocklin, and Roseville have relatively high Black and Hispanic homeownership rates compared to other jurisdictions.

Access to opportunity. Access to economic opportunity varies by type of opportunity, across the region and within communities.

Areas where jurisdictions differed from the region in access to opportunity include:

- With the exceptions of a few school districts (e.g., Davis, Rocklin, Roseville)—there are disparities in school quality between low and higher income neighborhoods, and these quality differences disproportionately impact people of color. Residents of Citrus Heights, Rancho Cordova, Sacramento, and Woodland are least likely to live in neighborhoods with proficient schools.

- Resident survey respondents living in Sacramento and Sacramento County tend to give the lowest ratings of healthy neighborhood indicators among the participating jurisdictions.
- Public transportation issues—especially bus routes, availability of bus service, and connections between communities—are a pressing concern to residents throughout the region. The exception is on “the grid” in downtown Sacramento, where public transit is considered the best available in the region.

Positive differences include:

- Elk Grove, Rocklin, Roseville, and Davis residents are most likely to have access to economically strong neighborhoods.
- Residents of Rocklin, Roseville, Davis, and Elk Grove are most likely to have access to proficient schools. With the exception of Roseville, there are no meaningful differences in access to proficient schools by race or ethnicity in these communities.
- Resident survey respondents living in Davis, Roseville, Rocklin, Elk Grove, and Woodland tend to rate each healthy neighborhood indicator higher than the regional average.
- On average, community engagement participants give the area where they live good marks on most healthy neighborhood indicators—ease of getting to the places they want to go using their preferred transportation option, convenient access to grocery stores, job opportunities, and health care facilities, and park and recreation facilities of similar quality to other neighborhoods. The most glaring exception is that residents find it difficult to find housing people can afford that is close to good schools.

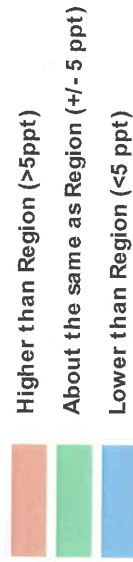
Disparities by protected class in access to opportunity were found in:

- Regionally, African American residents and Hispanic residents are least likely to have access to economically strong (low poverty) neighborhoods. Among residents in poverty, the gap in access by race and ethnicity narrows, but still persists. African American, Hispanic, and Native American residents of Sacramento and Hispanic and Native American residents of West Sacramento are least likely among all regional residents to have access to economically strong neighborhoods.
- Non-Hispanic White residents of Sacramento and Sacramento County are more likely to have access to proficient schools than residents of color, and this gap persists among residents in poverty. In addition to disparities in access to proficient schools, suspension rates in Sacramento County schools vary widely by race or ethnicity, with Black males suspended at a rate more than five times the state average.

- Disparities by race or ethnicity in labor market engagement index scores are greatest among residents of Rancho Cordova, Sacramento, Sacramento County, and West Sacramento. Only 39 percent of working age residents with disabilities are in the labor force and unemployment rates are high. The low labor force participation rates of residents with disabilities are suggestive of barriers to entering the labor force and high unemployment rates of those in the labor force indicate barriers to securing employment.
- Healthy neighborhood indicator ratings by survey respondents who are Native American, African American, Hispanic, living in households that include a member with a disability, and families with children are lower than the regional average, and tend toward neutral/somewhat agree rating levels.
- Access to public transit—areas of service, frequency, and hours of operation—and the cost of using transit limits where transit-dependent residents with disabilities, particularly those relying on disability income, can live and participate in activities of daily living.
- Stakeholder focus group participants identified a lack of supportive housing services as a critical need in helping the region's most vulnerable residents, including those with mental illness, to remain living in the most independent setting possible.

Residents' experience with housing challenges varies by jurisdiction and among members of protected classes as demonstrated by the following figures.

Top 12 Housing Challenges Experienced by Residents by Sacramento County Jurisdictions



Percent of Residents Experiencing a Housing Challenge	Citrus Heights	Elk Grove	Rancho Cordova	Sacramento	Sacramento County	Region
I worry about my rent going up to an amount I can't afford	44%	39%	40%	49%	42%	50%
I want to buy a house but can't afford the downpayment	45%	42%	33%	38%	37%	41%
I worry about property taxes increasing to an amount I can't afford	43%	21%	32%	30%	25%	31%
I struggle to pay my rent (e.g., sometimes paying late, not paying other bills to pay rent, not buying food or medicine)	39%	30%	25%	31%	32%	30%
I have bad credit/history of evictions/foreclosure and cannot find a place to rent	28%	18%	22%	22%	19%	21%
I worry that if I request a repair it will result in a rent increase or eviction (be kicked out)	16%	13%	20%	20%	13%	18%
Too much traffic/too much street/highway noise	23%	14%	13%	20%	20%	17%
I have bad/rude/loud neighbors	18%	11%	18%	21%	17%	16%
High crime in my neighborhood	17%	4%	12%	29%	21%	16%
My house or apartment isn't big enough for my family members	14%	14%	16%	21%	17%	16%
My home/apartment is in poor condition (such as mold or needs repairs)	17%	8%	14%	22%	17%	16%
I am afraid I may get evicted (kicked out)	13%	13%	13%	17%	15%	14%

Note: Where appropriate, sample sizes are adjusted for the number of homeowners, or renters and precariously housed residents. - Sample size too small to report (<25 respondents).

Source: Root Policy Research from the 2018 Sacramento Valley Fair Housing Survey.

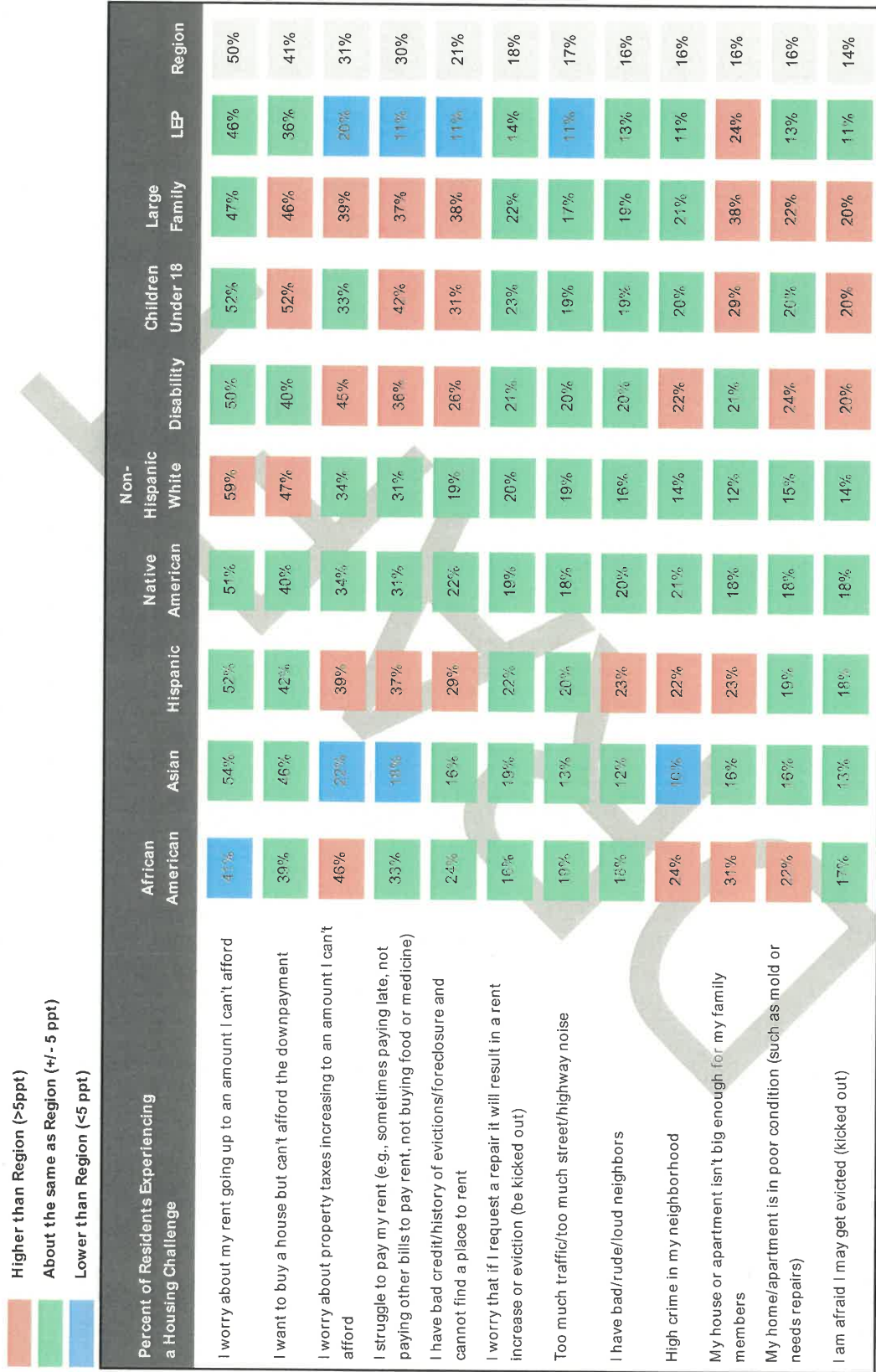
Top 12 Housing Challenges Experienced by Residents by Placer and Yolo County Jurisdictions



Note: Where appropriate, sample sizes are adjusted for the number of homeowners, or renters and precariously housed residents. - Sample size too small to report (<25 respondents).

Source: Root Policy Research from the 2018 Sacramento Valley Fair Housing Survey.

Housing Challenges Experienced by Residents who are Members of Selected Protected Classes



Note: Where appropriate, sample sizes are adjusted for the number of homeowners, or renters and precariously housed residents. - Sample size too small to report (<25 respondents).

Source: Root Policy Research from the 2018 Sacramento Valley Fair Housing.

Fair Housing Barriers and Contributing Factors

The primary housing barriers—and the factors that contributed to those barriers—identified in the research conducted for this AI include the following. Where protected classes are disproportionately impacted, those are noted.

Barrier: The harm caused by segregation is manifest in disproportionate housing needs and differences in economic opportunity.

Contributing factors: Past actions that denied housing opportunities and perpetuated segregation have long limited opportunities for many members of protected classes. This continues to be evident in differences in poverty rates, homeownership, and access to economic opportunity throughout the region.

Disproportionate impact: Across the region, Non-Hispanic White residents have very low poverty rates relative to Black and Hispanic families, and compared to Asian families in some jurisdictions (cities of Sacramento and Davis, and the Balance of Sacramento County).¹ The narrowest homeownership gap among the jurisdictions between Black and Non-Hispanic White households is 18 percentage points (Roseville) and exceeds 30 percentage points in Citrus Heights, Davis, Rancho Cordova, the Balance of Sacramento County, and Woodland. Compared to the Black/White difference, the homeownership gap between Hispanic and Non-Hispanic White households ranges from 10 percentage points in Elk Grove and Rocklin to more than 20 percentage points in Citrus Heights, Davis, Rancho Cordova, Woodland, and the Balance of Sacramento County.

Barrier: Affordable rental options in the region are increasingly limited.

Contributing factors: 1) Growth in the region—particularly demand for rental housing—has increasingly limited the areas where low income households can live affordably, evidenced by the high rates of households with disproportionate housing needs. This perpetuates the limited economic opportunity that began with segregation. 2) Constraints on affordable housing development and preservation, ranging from lack of funding, the cost of development or preservation, public policies and processes, and lack of adequate infrastructure for infill redevelopment, all constrain the affordable rental market. 3) Suburban areas in the Sacramento Valley are rarely competitive for state or federal affordable housing development funds, further straining the capacity for creation or preservation of affordable rental housing. 4) For residents participating in the Housing Choice or other housing voucher programs, too few private landlords accept vouchers. This leads to concentration of vouchers in certain neighborhoods and lack of mobility for voucher holders.

Disproportionate impact: African American and Hispanic households in the region have the highest rates of experiencing a housing problem (e.g., cost burden, crowding). White, non-Hispanic households are the least likely to experience housing problems across the region

¹ Throughout, Balance of Sacramento County refers to areas of the County which exclude Citrus Heights, Elk Grove, Rancho Cordova, and the city of Sacramento, as data for these jurisdictions are reported independently.

and in each jurisdiction. Through the community engagement process, residents participating in voucher programs described difficulty finding a landlord to accept their voucher; an analysis of concentration of voucher holders by neighborhood found that areas with greater proportions of voucher holders also tended to be R/ECAP neighborhoods or neighborhoods with less access to economic opportunity.

Barrier: Residents with disabilities need for and lack of access to affordable, accessible housing.

Contributing factors and disproportionate impact: 1) Insufficient number of mobility and sensory accessible units affordable to people living on SSI/SSDI (i.e., ADA accessible market rate units are unaffordable to those who need them most). 2) Much of the naturally occurring affordable housing stock is older and not accessible to residents with mobility disabilities. 3) Lack of transit access outside of the downtown core further limits the pool of accessible, affordable housing options for transit-dependent residents.

Barrier: Stricter rental policies further limit options.

Contributing factors and disproportionate impacts: 1) “3x income requirements” for rental units have a discriminatory effect on persons with disabilities whose income is primarily Social Security and Disability Insurance (SSDI), as well as renters who receive income from “unearned” sources such as child support. 2) Voucher tenants are not protected under California’s source of income protections. 3) Onerous criminal look back periods that do not take into account severity of a crime or time period in which it was committed disproportionately impact persons of color, persons with mental illness, and persons in recovery.

Barrier: Disparities in the ability to access homeownership exist.

Contributing factors: 1) Past actions that have limited economic opportunity for certain residents (i.e., redlining, lending discrimination, other barriers to wealth). 2) Disparities in access to lending, including home improvement and refinance products.

Disproportionate impact: Analysis of lending data finds that denial rates for Hispanic applicants (24%) and other non-Asian minority groups (24%) were significantly higher than for non-Hispanic White applicants (15%), and gaps persist (albeit narrower) after controlling for income. Across the board, all minority groups experience higher rates of loan denial than non-Hispanic White applicants for each loan purpose (i.e., home improvement, purchase, or refinance).

Barrier: Public transportation has not kept up with growth.

Contributing factors: Outside of the downtown Sacramento “grid” public transportation has not kept up with regional growth and lacks inner and intra city connections. Costs are high, especially for very low income households.²

Disproportionate impact: A lack of access to affordable public transportation (e.g., routes, connections, days/hours of service) is the 2nd most frequently cited barrier to economic opportunity mentioned by members of protected classes.

Barrier: Educational inequities persist in the region.

Contributing factors and disproportionate impacts: 1) Housing prices near high performing schools and school districts are out of reach for low and moderate income families. 2) In north and south Sacramento and in Woodland, children from predominantly African American and Hispanic neighborhoods are less likely to attend proficient schools. 3) Impact of 2013 education equity reforms (e.g., Local Control Funding Formula, Smarted Balanced Assessment System, educator prep standards) not yet fully realized. 4) Disparities in discipline/suspension rates of African American, Latino, and special needs children.

Barrier: Disparities in labor market engagement exist.

Contributing factors and disproportionate impact: 1) Unequal school quality across the region disproportionately disadvantages low and moderate income families. 2) Lack of economic investment directed to building skilled earning capacity in communities of color. 3) Lack of market rate job opportunities for people with disabilities.

Barrier: Residents with disabilities lack of access to supportive services and a spectrum of housing options to enable them, especially those with mental illness, achieve and maintain housing stability.

Contributing factors and disproportionate impact: 1) Lack of affordable housing. 2) Significant state budget cuts since the 1990s with little progress toward funding restoration. 3) Lack of funding for case management, mentors, other peer-supported services to support navigating systems and independent living skill development. 4) Loss of naturally occurring affordable housing options, including boarding homes, other small group living environments.

² Note that all community engagement and publicly available data on access to public transit was collected prior to RT Forward implementation. Implementation should be carefully monitored to assess impacts on members of protected classes and the extent to which this impediment is mitigated with implementation of RT Forward.

Solutions

This section summarizes proposed solutions to addressing the contributing factors discussed above. The participating partners focused on strategies that:

- 1) Expand affordable rental opportunities;
- 2) Increase homeownership among under-represented groups; and
- 3) Focus on a range of equity issues.

Implementation. It is the intention of the participating partners to incorporate the AI strategies into their individual and regional Housing Elements, Consolidated Plans, Annual Action plans, and other regional and municipal planning processes.

Goals and Strategies to Address Fair Housing Barriers

Goal 1. Incentivize development of affordable homeownership products. Support development or resale of affordable homeownership opportunities through both developers' operations and obtaining resources to support low income homebuyers, and affirmatively market to under-represented homeowners.

Goal 2. Expand affordable rental opportunities.

- a) ***Encourage reasonable policies for tenant criminal history, rental history, and credit history.*** Educate landlords and developers who benefit from public funding and development incentives to adopt reasonable policies on tenant criminal history, and to consider applicants with poor rental/credit histories on a case-by-case basis.
- b) ***Increase accessible and affordable housing opportunities.*** Set a goal for developing a range of affordability levels, handicapped-accessible housing units or otherwise incorporate affordable, handicapped-accessible housing in housing elements.
- c) ***Encourage residential infill opportunities.*** Increase residential infill opportunities through changes in zoning and long range plans.
- d) ***Engage the private sector in solutions.*** Through affirmative marketing requirements, development incentives, and mandatory affordable housing contributions, further the private sector commitment to addressing barriers to housing choice.

Goal 3. Expand equity in access to economic opportunity.

- a) ***Improve infrastructure and public facilities*** in disadvantaged communities.

- b) ***Connect low income residents to job opportunities.*** Improve connections between low-income populations, especially Public Housing residents, and employment opportunities.
- c) ***Reduce housing instability by closing service gaps.*** Partner with mental health, recovery, and disability service providers to develop strategies for filling gaps in services and housing types to prevent housing instability and risk of re-institutionalization.

DRAFT

EXECUTIVE SUMMARY.

2020-2024 Five-Year Consolidated Plan for the Sacramento Region

This document is the Five-year Consolidated Plan for the Sacramento Region, which provides a vision, goals, and intentions for allocating federal housing and community development block grants provided by the U.S. Department of Housing and Urban Development (HUD).

Administrative entity. The Plan is administered by the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of the City and County of Sacramento. This regional Plan is referred to as the "Consortium" Plan and includes the Urban County of Sacramento plus the cities of Sacramento, Citrus Heights, and Rancho Cordova. The "Agreement Cities" of Folsom, Isleton, and Galt fall under the Urban County of Sacramento Plan.

Purpose of Consolidated Plan. A Consolidated Plan is required of any city, county or state that receives federal block grant dollars for housing and community development funding from the U.S. Department of Housing and Urban Development (HUD). There are four types of HUD block grant housing and community development programs: the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME), the Emergency Solutions Grant (ESG), and the Housing Opportunities for People with AIDS (HOPWA) program.

- **Community Development Block Grant (CDBG):** The primary objective of this program is to develop viable urban communities by providing decent and affordable housing, a suitable living environment, and economic opportunities, principally for persons of low- and moderate-income. Potential programs include: housing rehabilitation, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers or public services.
- **HOME Investment Partnership Program (HOME):** The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low- and moderate-income households. HOME funds can be used for activities that promote a suitable living environment, decent and affordable rental housing and homeownership by low- and moderate-income households, including reconstruction, moderate or substantial rehabilitation, removal of architectural barriers and tenant-based rental assistance.

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

The purpose of the Consolidated Plan is:

- To identify a city's, county's or state's housing and community development needs, priorities, goals and strategies; and
- To stipulate how funds will be allocated to housing and community development activities during the five year planning period.

Annually, recipients of HUD block grant funds must prepare an Action Plan that details how funds will be spent in the current program year. This document combines the Five-year Strategic Plan with the 2020 Action Plans for Sacramento County and the City of Sacramento.

Funding and priorities. The Sacramento Region receives approximately \$52. million in CDBG; \$27 million in HOME; \$6.5 million in HOPWA; and \$4.4 million in ESG.

In past years, those funds have funded activities in the City of Sacramento such as:

- La Valentina Apartments Infrastructure
- Main Avenue Ballfield Improvements
- La Familia Community Center Improvements
- Stanford Settlement Children Program and Teen Center Improvements
- Mack Road and Valley Hi Traffic Signal Upgrade

Grants have funded activities in the Urban County of Sacramento such as:

- New construction of Varenna and Arbor Creek Apartments
- The Avenues Streetlight Conversion Project
- McComber Parking Lot Improvements
- Watt Avenue Pedestrian Enhancement Project

- Bellview Park Improvements
- Rio Linda Community Center Improvements
- Isleton Bing Kong Tong Phase I Historic Rehabilitation

Activities serving both the City and County of Sacramento have included:

- Meals on Wheels
- Owner-Occupied Single-Family Rehabilitation
- Rapid Re-Housing
- Emergency Shelters
- Housing Opportunities for Persons with AIDS/HIV

Community engagement to inform the Plan. SHRA's goal for citizen participation is to ensure a broad participation of City and County residents and housing, economic, and service providers in the planning and implementation of community development and housing programming. Community engagement for the Five-Year Consolidated Plan and 2020 Annual Action Plan included the following distinct elements:

- Focus group sessions with representatives from City and County government (staff), nonprofit organizations, and other service providers to gain stakeholder input on the identification of City housing and community development needs.
- Additional meetings and telephone interviews with City and County departmental staff and other provider agencies and stakeholders throughout the planning process to understand the current scope of programs, issues, and concerns. The one-on-one conversations helped to develop strategies to address the community needs that were identified in the focus group sessions.
- Participation at community planning meetings in North, South, and Central Sacramento held in conjunction with development of the City of Sacramento General Plan to gather public input on needs. SHRA staff facilitated map-based exercises for residents to identify housing and community development needs at the neighborhood level.
- Incorporation of findings from the resident survey conducted as part of the regional fair housing study
- A 30-day draft public comment period and two public hearings during the public comment period.

Summary of public comments. *In the final plan submitted to HUD, this section will summarize the public comments received during the comment period.*

Five-year Priorities and Goals

During the Five-year Plan period, annual HUD block grant allocations will be prioritized to support the priority needs as described in the Strategic Plan Section and summarized below:

High priority needs

- Improvements in neighborhoods that have experienced disinvestment and/or have historically been underserved.
- Better accessibility (e.g., sidewalks, ADA improvements, accessible and visitable homes, and service facilities).
- Preservation of existing, affordable housing.
- Improved housing options and social and supportive services for people including but not limited to people with special needs and people experiencing homelessness.

Housing Priorities

- Preservation of existing affordable housing units that are in need of financial assistance to prevent the loss of units from the affordable inventory.
- Production of new, affordable units for households earning less than 50 percent of the Median Family Income (MFI) and especially 30 percent of the MFI.
- Addressing the root causes of homelessness.

Special Needs Populations Priorities

- Elderly and frail elderly persons
- Persons with HIV/AIDS and their families
- Individuals with alcohol and other drug addictions.

Neighborhood and Community Development Priorities

- Equalization of neighborhood facilities across all neighborhoods by bringing neighborhood infrastructure to the highest quality.
- Better accessibility (e.g., sidewalks, ADA improvements, accessible and visitable homes, and service facilities).

Plan to Remove or Ameliorate the Barriers to Affordable Housing

During the development of the Five-year Consolidated Plan, completion of an Analysis of Impediments to Fair Housing Choice (AI) was underway. The fair housing actions established to ameliorate the barriers identified in that analysis, which is part of this Consolidated Plan, include:

Goal 1. Incentivize development of affordable homeownership products. Support development or resale of affordable homeownership opportunities through both developers' operations and obtaining resources to support low income homebuyers, and affirmatively market to under-represented homeowners.

Goal 2. Expand affordable rental opportunities.

- a) ***Encourage reasonable policies for tenant criminal history, rental history, and credit history.*** Educate landlords and developers who benefit from public funding and development incentives to adopt reasonable policies on tenant criminal history, and to consider applicant with poor rental/credit histories on a case-by-case basis.
- b) ***Increase accessible and affordable housing opportunities.*** Set a goal for developing a range of affordability levels, handicapped-accessible housing units or otherwise incorporate affordable, handicapped-accessible housing in housing elements.
- c) ***Encourage residential infill opportunities.*** Increase residential infill opportunities through changes in zoning and long range plans.

Goal 3. Expand equity in access to economic opportunity.

- a) ***Improve infrastructure and public facilities*** in disadvantaged communities.
- b) ***Connect low income residents to job opportunities.*** Improve connections between low-income populations, especially Public Housing residents, and employment opportunities.
- c) ***Reduce housing instability by closing service gaps.*** Partner with mental health, recovery, and disability service providers to develop strategies for filling gaps in services and housing types to prevent housing instability and risk of re-institutionalization.

County of Sacramento 2020 One-Year Action Plan and Previous Years' Reprogramming

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

The Consolidated Plan outlines proposed strategies for the expenditure of CDBG, HOME, HOPWA, and ESG funds for the period 2020-24. In general, the mission of the Consolidated Plan is to revitalize selected lower-income neighborhoods and to assist disadvantaged populations by providing adequate public facilities and services, generating affordable housing opportunities, and stimulating economic development.

The One-Year Action Plan, and amendments, are updates to the Consolidated Plan. A key component of the One-Year Action Plan is the allocation of the funds to proposed activities. This portion of the plan describes activities the jurisdiction will undertake in the coming year, including geographic locations, funding allocations, and eligibility criteria. Proposed activities address the priority needs and specific objectives of the 2020-24 Consolidated Plan, adopted by the Board of Supervisors on October 22, 2019.

The Sacramento Housing and Redevelopment Agency (SHRA), as the direct recipient of HUD funding, assumes the responsibility for environmental review, decision-making, and actions under the National Environmental Policy Act (NEPA). SHRA is also the lead agency for Agency initiated projects under the California Environmental Quality Act (CEQA). Environmental review records are on file at SHRA.

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

Definitions:

Reprogrammed Funds are made available when an activity has been cancelled, completed with cost savings, or funds are being moved to ensure timely expenditure. CDBG funds may also include prior years' capital reserve funds.

Program Income are funds generated by a grant-supported activity (e.g., loan repayment, property sale, etc.).

The following programs are listed on the pages below:

Community Development Block Grant (CDBG)
HOME Investment Partnerships Program (HOME)
Emergency Solutions Grant (ESG)

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Proposed activities are based on the following estimated revenues:

CDBG Revenue Source	Previous Years Revenue Sources				Total
	2014-2017	2018	2019	2020 Action Plan	
Estimated Entitlement				\$5,767,322	\$5,767,322
Unobligated Capital Reserve Available for Reprogramming*	\$163,642	\$730,508	\$320,930		\$1,215,080
Program Income**	\$0	\$0	\$1,311,523	\$707	\$1,312,230
Total	\$163,642	\$730,508	\$1,632,453	\$5,768,029	\$8,294,632

The following summarizes proposed CDBG activities for 2020. Activities are organized into Infrastructure and Public Improvements; Housing Development, Preservation and Homeownership; Public Services; Grant Planning and Administration and Capital Reserve.

CDBG Activity Summary	Previous Years Revenue Uses				Total
	2014-2017	2018	2019	2020 Action Plan	
Infrastructure and Public Facility Improvements	\$0	\$600,000	\$200,000	\$1,971,887	\$2,771,887
Housing Development, Preservation and Homeownership	\$0	\$0	\$1,226,647	\$1,666,544	\$2,893,191
Public Services	\$17,754	\$0	\$0	\$774,237	\$791,991
Grant Planning and Administration	\$100,000	\$0	\$84,876	\$750,618	\$935,494
Agreement Cities	\$0	\$0	\$0	\$265,000	\$265,000
Capital Reserve	\$45,888	\$130,508	\$120,930	\$339,743	\$637,069
Proposed Funding Total	\$163,642	\$730,508	\$1,632,453	\$5,768,029	\$8,294,632

*Reprogrammed Funds are made available when an activity has been cancelled, completed with cost savings, or are funds being moved to a new activity to ensure timely expenditure. Reprogrammed CDBG funds may also include prior years' capital reserve funds.

**Program Income are funds generated by a grant-supported activity (e.g., loan repayment, property sale, etc.). Program income for 2020 is estimated.

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹	CDBG Criteria ²
INFRASTRUCTURE AND PUBLIC FACILITY IMPROVEMENTS					
The following are recommended capital improvements of public or community-based facilities and public rights-of-way to be completed within 18 months. These activities, when appropriate, will be coordinated with other County Departments to maximize leveraging with the County's capital improvement plans.					
Florin Area LED Street Light Project Phase 3: The phase 3 project will construct additional LED street lights within the boundary of Stockton Boulevard, 53rd Avenue, Briggs/Palmer House Drive, and Fleming Avenue (District 2).	\$0	\$675,000	\$675,000	2020 CDBG EN	03K / 4802 & 50.01 / LMA
Watt Avenue Complete Street Improvement Phase 1 Project: Provide funds for the design, engineering, and right-of-way acquisition for a complete street project with pedestrian and bike improvements along Watt Avenue between Winona Way and the I - 80 ramps (District 3).	\$400,000	\$0	\$400,000	2018 CDBG EN	03K / 7413 / LMA
Arden Way Complete Streets Phase 1 Project: Provide funds for the design and engineering of a complete street project with pedestrian and bike improvements along Arden Way between Watt Avenue and Morse Avenue (District 3).	\$200,000	\$0	\$200,000	2018 CDBG EN	03K / 5605 & 5601-3 / LMA
	\$200,000	\$0	\$200,000	2019 CDBG EN	
	\$400,000	\$0	\$400,000	Total	
Countywide ADA Curb Ramp Project: Provide funds for the construction of ADA compliant curb ramps to be installed at non-signalized intersections throughout the unincorporated county within district 2 and 3.	\$0	\$900,000	\$900,000	2020 CDBG EN	03K/TBD/LMA
Small Public Facility Notice of Funding Availability (NOFA): SHRA to issue Notice of Funding Availability (NOFA) for CDBG-eligible capital improvements to a public facility located in low- and moderate-income areas.	\$0	\$150,000	\$150,000	2020 CDBG EN	TBD
Capital Improvement Projects and Environmental Scoping: Funding for early cost estimates, resource identification, conceptual design, environmental studies and/or the development of plans, strategies and studies for CDBG-eligible projects. Location and scope to be determined by an internal process of requests on first-come, first-served basis. CDBG staff to determine eligibility.	\$0	\$25,000	\$25,000	2020 CDBG EN	03Z / LMA
Public Improvements Implementation and Delivery: Staffing and supportive services for capital improvement projects.	\$0	\$221,887	\$221,887	2020 CDBG EN	03Z / LMA
Total Infrastructure and Public Improvements	\$800,000	\$1,971,887	\$2,771,887		

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹	CDBG Criteria ²
HOUSING DEVELOPMENT, PRESERVATION AND HOMEOWNERSHIP (CDBG Funds)					
The following are recommended activities that increase the marketability and livability of neighborhoods.					
Minor Repair & ADA for Seniors and Low-Income Homeowners Program: Provides for administrative costs associated with minor home repairs for low- and moderate-income homeowners and the administrative oversight for the Safe at Home Program and the Home Assistance Repair Program for Seniors (HARPS).	\$0	\$50,000	\$50,000	2020 CDBG EN	14H / LMH
Home Repair Program: This program provides grants to low income homeowners for health and safety repairs and accessibility modifications for moderate income disabled residents.	\$0	\$150,000	\$150,000	2020 CDBG EN	14A / LMH
Affordable Housing Rehabilitation Program: Provides loans and/or grants to rehabilitate low- and moderate-income multi-family housing units.	\$1,226,647	\$0	\$1,226,647	2019 CDBG PI	14B/LMH
	\$0	\$1,200,000	\$1,200,000	2020 CDBG EN	
	\$1,226,647	\$1,200,000	\$2,426,647	Total	
Housing Programs Implementation and Delivery: Supportive services for affirmatively furthering fair housing, affordable housing/multi-family rehabilitation/new construction, Section 3 related activities, environmental and emergency repair/accessibility programs and activities.	\$0	\$266,544	\$266,544	2020 CDBG EN	14A / 14B / 14G
Total CDBG Housing Development, Preservation and Homeownership	\$1,226,647	\$1,666,544	\$2,893,191		

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹	CDBG Criteria ²
PUBLIC SERVICES					
The following are recommended funding allocations to support human assistance programs. For CDBG, HUD limits funding for public services to 15 percent of the total amount of entitlement and previous years' program income.					
Homeless Activities: Funds will be used to design, administer, and implement homeless programs including but not limited to housing and shelter, detoxification, medical and counseling services, and provision of food.	\$0	\$363,000	\$363,000	2020 CDBG EN	05Z
Meals on Wheels: Provides meals to homebound seniors and to non-homebound seniors at approximately 20 dining sites.	\$17,754	\$0	\$17,754	2014 CDBG EN	05A
	\$0	\$411,237	\$411,237	2020 CDBG EN	
	\$17,754	\$411,237	\$428,991	Total	
Total Public Services	\$17,754	\$774,237	\$791,991		

GRANT PLANNING AND ADMINISTRATION					
The following are related to immediate/intermediate term program planning, community participation and general program administration. For CDBG, HUD limits funding of these activities to 20 percent of the total amount of entitlement and program income.					
Promise and Opportunity Zones Planning and Administration: Funds to provide staffing and grant application activities.	\$0	\$36,312	\$36,312	2020 CDBG EN	20
Fair Housing Activities: Provide funds to further fair housing, including outreach, referral and other eligible activities to affirmatively further fair housing.	\$0	\$90,000	\$90,000	2020 CDBG EN	21D
Empowerment Park Improvements: Provide funds for the design and engineering for street improvements and ADA related infrastructure improvements surrounding the park located at the corner of Bell Street and Irma Way.	\$60,690	\$0	\$60,690	2016 CDBG EN	21A
	\$39,310	\$0	\$39,310	2017 CDBG EN	
	\$100,000	\$0	\$100,000	Total	
CDBG Planning and Administration: Administrative and Planning Services for CDBG Programs.	\$84,876	\$0	\$84,876	2019 CDBG PI	
	\$0	\$707	\$707	2020 CDBG PI	
	\$0	\$623,599	\$623,599	2020 CDBG EN	
	\$84,876	\$624,306	\$709,182	Total	
Total Grant Planning and Administration	\$184,876	\$750,618	\$935,494		

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹	CDBG Criteria ²
AGREEMENT CITIES					
Folsom-Seniors Helping Seniors Handyman Program: Funds to be used for the City of Folsom's Seniors Helping Seniors Handyman Program which includes minor repairs to correct health and safety deficiencies.	\$0	\$165,000	\$165,000	2020 CDBG EN	14A / LMH
Galt Capital Infrastructure Improvement Project: Funds to be used for a capital infrastructure project within the Galt City limits in an eligible census tract.	\$0	\$100,000	\$100,000	2020 CDBG EN	03Z / LMA
Total Agreement Cities	\$0	\$265,000	\$265,000		
CAPITAL RESERVE					
Capital Reserve: Reserve accounts for overruns in capital improvement activities and to fund budgeted activities in 2020 if CDBG entitlement is less than anticipated. The reserve is also available to cover unanticipated project and program costs to bring an activity to completion. The full amount of the reserve is available to ensure the timely completion of the activities.	\$45,888	\$0	\$45,888	2017 CDBG EN	22
	\$130,508	\$0	\$130,508	2018 CDBG EN	
	\$120,930	\$0	\$120,930	2019 CDBG EN	
	\$0	\$339,743	\$339,743	2020 CDBG EN	
Total Capital Reserve	\$297,326	\$339,743	\$637,069		

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

Proposed activities are based on the following estimated revenues:

HOME Revenue Source	Previous Years Resources	2020 Action Plan	Total
Estimated Entitlement		\$2,992,126	\$2,992,126
Reprogrammed Funds	\$0		\$0
Program Income	\$5,548,983	\$871,404	\$6,420,387
Total	\$5,548,983	\$3,863,530	\$9,412,513

The following summarizes proposed activities for 2020:

Activity Name	Previous Years Reprogramming	2020 Proposed Funding	Total Funding	Source ¹
HOUSING DEVELOPMENT, PRESERVATION AND HOMEOWNERSHIP (HOME FUNDS)				
Multi-Family Housing Acquisition and Rehabilitation: Provides loans for the acquisition and rehabilitation of low- and moderate-income multi-family housing.	\$2,497,043	\$0	\$2,497,043	2019 HOME PI
	\$0	\$392,132	\$392,132	2020 HOME PI
	\$0	\$1,346,456	\$1,346,456	2020 HOME EN
	\$2,497,043	\$1,738,588	\$4,235,631	Total
Multi-Family Housing New Construction: Provides loans for the construction of low- and moderate-income multi-family housing.	\$2,497,042	\$0	\$2,497,042	2019 HOME PI
	\$0	\$392,132	\$392,132	2020 HOME PI
	\$0	\$1,346,457	\$1,346,457	2020 HOME EN
	\$2,497,042	\$1,738,589	\$4,235,631	Total
Home Program Administration: Administrative services for the implementation of HOME-funded activities.	\$554,898	\$0	\$554,898	2019 HOME PI
	\$0	\$87,140	\$87,140	2020 HOME PI
	\$0	\$299,213	\$299,213	2020 HOME PI
	\$554,898	\$386,353	\$941,251	Total
Total Housing Development, Preservation and Homeownership	\$4,994,085	\$3,863,530	\$9,412,513	

EMERGENCY SOLUTIONS GRANT (ESG)

ESG Revenue Source	2020 Action Plan	Total
Estimated Entitlement	\$484,844	\$484,844
Reprogrammed Funds		\$0
Program Income	\$0	\$0
Total	\$484,844	\$484,844

The following summarizes proposed activities for 2020:

Activity Name	2020 Proposed Funding	Total Funding	Source ¹
EMERGENCY SOLUTIONS GRANT (ESG)			
Rapid Rehousing/Prevention (Public Services): Funds to provide homeless prevention and rapid re-housing delivery, operations and maintenance of facilities and essential supportive services per ESG regulations. Final funding amount is subject to change.	\$179,393	\$179,393	2019 ESG EN
Emergency Shelters (Public Services): Funds to provide homeless emergency housing/shelters, delivery, operations and maintenance of facilities and essential supportive services per ESG regulations. Final funding amount is subject to change.	\$269,088	\$269,088	2019 ESG EN
ESG Program Administration: Administrative services for the implementation of ESG-funded activities.	\$36,363	\$36,363	2019 ESG EN
Total Emergency Solutions Grant	\$484,844	\$484,844	

Endnotes:

¹Source: Program Income = PI and Entitlement = EN

²CDBG Criteria: Includes activity eligibility, matrix codes, census tracts, and national objectives.

**MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF
SACRAMENTO ("COUNTY"), THE SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY, AND THE HOUSING AUTHORITY OF THE
COUNTY OF SACRAMENTO (COLLECTIVELY "AGENCY") FOR THE ONE-
YEAR ACTION PLAN ALLOCATION PROCESS FOR FEDERAL PROGRAMS
FUNDING AND PROVIDING SERVICES IN SUPPORT OF COMMUNITY
DEVELOPMENT AND AFFORDABLE HOUSING IN THE COUNTY OF
SACRAMENTO**

Recitals

The U.S. Department of Housing and Urban Development (HUD) requires adoption of an annual Action Plan, consistent with the Consolidated Plan, to identify the programs and projects for expenditure of federal Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG);

Since 1982 (by Resolutions 82-650, 82-651, 82-652, RA-94, RA-107, HA-1526 and the joint powers agreement) the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of its constituent entities has served as the public entity designated to efficiently administer the CDBG and HOME funding originating from the HUD, including on behalf of the County of Sacramento as specified in the Administration of Community Development Block Grant Program Agreement for the County of Sacramento ("The Agreement"). With the dissolution of the Redevelopment Agency of the County of Sacramento, Resolution No. 82-650 was repealed and on January 8, 2013, the Housing Authority of the County of Sacramento, staffed by SHRA, was designated as the entity for administering Action Plans funding and to perform federal grant draws on behalf of the County of Sacramento; and a revised Memorandum of Understanding for SHRA's continued administration of CDBG, HOME and ESG grants on behalf of the County of Sacramento was approved (Resolutions 2013-0018 and HA-2342). This MOU does not materially change the original agreement, this designation nor the MOU approved in 2013.

The County and the Agency are committed to working together to redevelop various neighborhoods in the County of Sacramento into vibrant, retail, commercial land residential communities. A process has been developed.

The County and Agency shall work cooperatively to identify projects and programs to be funded in the One-Year Action Plan.

Overview

One-Year Action Plan Allocation Process (Table 1) would formalize coordination by

specifying a process and schedule to develop the annual One-Year Action Plan. The proposed process includes two workshops with the Board of Supervisors, one community workshop before the Sacramento Housing and Redevelopment Commission, and multiple coordination activities with the County Executive and County Departments to determine projects and programs. Additionally, the schedule aligns with the development of the County's annual Capital Improvement Program.

Effective date: December 1, 2019

Agency Roles

AGENCY staff shall lead the allocation process through completion in November. AGENCY shall be responsible for the following as outlined in the Timeline for Annual Action Plan (Exhibit A)

1. AGENCY shall initiate the process via letter to the County Executive to convene County Department representatives to attend Action Plan Meeting #1
2. AGENCY shall provide a project request form, estimate annual entitlement amount.
3. AGENCY shall hold and lead Action Plan Meetings #1 through #5 as necessary.
4. AGENCY shall review project requests and determine CDBG eligibility.
5. AGENCY shall prepare draft budget for all funding sources including, but not limited to CDBG, ESG, and HOME.
6. AGENCY staff will conduct Workshops #1 and #2 before the County Board of Supervisors.
7. AGENCY staff shall hold one community work shop before the Sacramento Housing and Redevelopment Commission.

County of Sacramento Roles

1. County Executive shall assign department representatives to attend the Action Plan Meetings.
2. County staff shall submit project request forms prior to Action Plan Meeting #1.
3. County staff shall attend and provide additional information as requested to AGENCY staff in order to determine eligibility of proposed projects.
4. County staff shall attend Workshops #1 and #2 before the County Board of Supervisors.

Table 1 TIMELINE FOR ANNUAL ACTION PLAN AND CDBG PROJECTS

Month	Action	Department/Contact
December	SHRA requests County Executive convene an Action Plan Kick-off meeting	County Executive SHRA (Federal Programs staff)
January	Action Plan - Meeting #1 <ul style="list-style-type: none"> Review existing projects & programs Submit & review project request forms 	County Executive & Department including: <ul style="list-style-type: none"> Planning/Environmental Review Economic Development Homeless Services Transportation SHRA (Federal Programs staff)
January	Action Plan Workshop#1 at the Board of Supervisors <ul style="list-style-type: none"> Review Schedule Receive Project Ideas 	Board of Supervisors SHRA staff County Executive and Departments
February	Action Plan - Meeting #2 <ul style="list-style-type: none"> Review project request forms Prepare potential project and programs list 	County Executive & Department including: <ul style="list-style-type: none"> Planning/Environmental Review Economic Development Homeless Services Transportation SHRA (Federal Programs staff)
March	Action Plan - Meeting #3 – if necessary <ul style="list-style-type: none"> Prepare potential project and programs list 	County Executive & Department including: <ul style="list-style-type: none"> Planning/Environmental Review Economic Development Homeless Services Transportation SHRA (Federal Programs staff)
March	Community Workshop at SHRA Commission <ul style="list-style-type: none"> Solicit community input on proposed potential projects and programs 	SHRA (Federal Programs staff)
April	Action Plan Workshop #2 at the Board of Supervisors <ul style="list-style-type: none"> SHRA presents potential projects and programs list 	Board of Supervisors SHRA staff County Executive and Departments

DRAFT September 10, 2019

Month	Action	Department/Contact
May	Action Plan– Meeting #4 • Draft Budget Review	SHRA (Federal Programs staff) Consult with County Executive
June	Action Plan Budget – Meeting #5 (if necessary) • Draft Budget Review	SHRA-Federal Programs staff Consult with County Executive
August	Action Plan Budget Complete – August 1 • Route Staff Report	SHRA (Federal Programs staff)
September	Action Plan review at SHRA Commission	SHRA (Federal Programs staff)
October	Action Plan approved at the Board of Supervisors	SHRA (Federal Programs staff)
November 15	Action Plan Submitted to HUD	SHRA (Federal Programs staff)

COUNTY OF SACRAMENTO

SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY AND THE
HOUSING AUTHORITY OF THE COUNTY OF
SACRAMENTO

County Executive

Approved as to Form:

County Counsel

ATTEST:

CLERK

LASHELLE DOZIER
Executive Director

Approved as to Form:

Agency Counsel

ATTEST:

AGENCY CLERK

**County of Sacramento
State Emergency Solutions Grant Update**

In April 2016, the Sacramento Housing and Redevelopment Commission (Commission) and the Sacramento County Board of Supervisors (Board) authorized and approved SHRA as the Administrative Entity (AE) to receive funds and administer State of California's Housing and Community Development's Emergency Solutions Grant (ESG) Rapid Re-housing (RRH) program by Commission Resolution No. 2016-04 and Board Resolution No. 2016-0233.

As part of this action, the Board also authorized SHRA, through the Commission, to apply annually for the grant and to accept grant funds, execute State agreements, and amend its budget to administer the State ESG Program within the designated Continuum of Care (CoC) Service Areas as determined by the State of California.

2017 Grant Year Anticipated Accomplishments

Sacramento: Volunteers of America, competitively procured in 2018, is providing RRH services for the period of July 1, 2018 to June 30, 2019 120 unduplicated persons (64 households) countywide households (includes incorporated cities) to receive RRH activities. 81 persons exited the program and 39 persons remained in the program.
Grant Award Allocation: \$700,093.

Solano (final year of SHRA AE commitment): Shelter Inc. competitively procured in 2018, provided RRH services to 187 unduplicated persons (81 households) for the period of September 1, 2018 to June 30, 2019 countywide households. Performance outcome is lower due to smaller funding allocation and new provider that began operating the program in September 2018. RRH activities are the same as above.
Grant Award Allocation: \$251,000

SHRA administration allocation as determined by HCD: \$29,653

Total award: \$980,946

2018 Grant Year Anticipated Accomplishments (AE for Sacramento Only)

HCD has not yet issued the 2018 grant agreement and therefore SHRA has not yet executed contracts with the providers.

Volunteers of America, competitively procured in 2018, will provide RRH services to at least 20 unduplicated countywide households (including incorporated cities). Anticipated program start date is October 1, 2019. Anticipated Grant Award Allocation: \$82,102.

First Steps Communities, competitively procured in 2018, will provide emergency shelter and services to approximately 80 unduplicated homeless individuals. The anticipated program start date is October 1, 2019. Anticipated Grant Award Allocation: \$123,154.

The anticipated funding allocation is lower for 2018 than for 2017 because HCD bifurcated State ESG (SB 2 funds) from the state's federal ESG thereby reducing the anticipated Sacramento allocation from \$1,036,083 to \$211,186 (\$82,102 for RRH, \$123,154 for emergency shelter activities, and \$5,930 for SHRA administration).

2019 Grant Year Anticipated Accomplishments (AE for Sacramento Only)

SHRA submitted the application for the 2019 funds to HCD in May of 2019. HCD has not yet issued the 2019 grant agreement and therefore SHRA has not yet executed contracts with the providers. The anticipated total award amount is \$213,416 (\$82,968 for RRH, \$124,451 for emergency shelter activities, and \$5,997 for SHRA administration).

First Steps Communities, competitively procured in 2019, will provide emergency shelter and services to approximately 80 unduplicated homeless individuals. Anticipated program start date is October 1, 2020. Anticipated Grant Award Allocation: \$124,451.

Volunteers of America, competitively procured in 2019, will provide RRH services to at least 20 unduplicated countywide households (including incorporated cities). Anticipated program start date is October 1, 2020. Anticipated Grant Award Allocation: \$82,968.



September 19, 2019

**Sacramento Housing and
Redevelopment Commission
Sacramento, CA**

Honorable Members in Session:

SUBJECT:

Authorization to Enter into Development Services Agreement with the Sacramento Housing Authority Repositioning Program, Inc. (SHARP) for the Rental Assistance Demonstration (RAD) Project

SUMMARY:

The attached report is submitted to you for review and recommendation prior to consideration by the City of Sacramento.

RECOMMENDATION:

Staff recommends approval of the recommendations outlined in this report.

Respectfully Submitted


LA SHELLE DOZIER
Executive Director

Attachment



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

Consent
October 22, 2019

Honorable Chair and Members of the Housing Authority Board

Title: Authorization to Enter into Development Services Agreement with the Sacramento Housing Authority Repositioning Program, Inc. (SHARP) for the Rental Assistance Demonstration (RAD) project

Location/Council District: Citywide

Recommendation: Pass a **Housing Authority** Resolution authorizing the Executive Director to enter into a Development Services Agreement with SHARP to allow the completion of all predevelopment and development services necessary to complete the Rental Assistance Demonstration (RAD) Pilot project and future RAD conversion projects.

Contact: La Shelle Dozier, Executive Director, (916) 440-1319, Sacramento Housing and Redevelopment Agency

Presenters: none

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: On October 30, 2018, the Housing Authority Board (Board) adopted Resolution No. 2018-0019, which approved updates to the Housing Authority Asset Repositioning Plan allowing for the conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs. Additionally, the Board authorized the Housing Authority to submit applications to the United States Department of Housing and Urban Development (HUD) to reposition and convert City Public Housing Properties under the RAD Programs.

On November 30, 2018, HUD approved the Housing Authority's application to convert 124 public housing units to RAD (38 units in the City of Sacramento and 86 in the County of Sacramento) and also allocated 124 RAD Program Specific Project Based Vouchers (PBVs). These vouchers are new to Sacramento and will increase the total number of vouchers available in Sacramento which are administered by the County Housing Authority.

As part of the updated Asset Repositioning Plan, Guiding Principles were adopted as the policy direction for each reposition activity. The general parameters of those principles were to prevent loss of units for extremely low income households, facilitate a decrease in reliance on federal funds, incorporate smart growth principles into development opportunities, reinvest any sale proceeds into Housing Authority replacement units, foster partnerships with entities to position development efforts for success, and to pursue actions that would generate fees and other revenue for the Housing Authority. Conversion to RAD is a critical component of the Asset Repositioning plan as RAD allows public housing agencies (PHAs) to convert public housing units to long-term, Project-Based Voucher rental assistance developments. Converting the properties under RAD facilitates access to private debt and equity to address immediate and long-term capital needs.

The Housing Authority desires to partner with the Sacramento Housing Authority Repositioning Program, Inc., (SHARP) to implement the RAD Phase 1 project at the 4921 Folsom Blvd. and 1043 43rd Avenue in the City of Sacramento and also at properties located in the County of Sacramento and in the City of Elk Grove. SHARP is a financial component unit of SHRA, and acts as one of SHRA's non-profit corporations. Partnering with SHARP allows the Housing Authority to apply for tax credits as a funding source for the RAD conversion projects which is a vital component to making these conversions feasible.

The predevelopment and development activities to be undertaken by SHARP include, but are not limited to, the following:

- (a) Oversight of architectural design.
- (b) Solicitation and contracting of general contractor and all necessary consultants for preconstruction and construction activities.
- (c) Direct and monitor the general contractor and all consultants with respect to the pre-development and development of the Properties.
- (d) Interaction with state and federal government authorities to complete applications for the improvement and conversion of the Properties to RAD.
- (e) Facilitate compliance with zoning, building codes, occupancy permits and all other local government requirements concerning the construction of the Properties.
- (f) Preparation of requisite environmental assessments, neighborhood impact assessments, engineering surveys, hazardous substance reports, and preliminary plans and specifications for the Properties.
- (g) Development of a scope of work and schedule of values for the rehabilitation involved in the Properties.
- (h) Creation and implementation of a HUD-approved Financing plan for the Project. The Authorities are working to secure financing through

bond applications, and will be responsible for a successful application with assistance of CSG Advisors Incorporated (CSG), the consultant hired to assist the Housing Authority with the bond application process. CSG will be advising on all matters related to the predevelopment and development activities involved with the RAD conversions.

- (i) Procurement of all contractors necessary for the conversion of the Properties, including any vendor that is needed for third party reports required to successfully submit financial applications. For any predevelopment contracts to be paid for with public housing funds and such other contracts as the parties may agree, the Authorities will create, on SHARP's behalf, any necessary RFQs or RFPs needed to secure these services. These vendors may include, but are not limited to:
 - i) Environmental consultants
 - ii) Pest Control Company (Wood Destroying and General)
 - iii) Hazardous Material Inspectors
 - iv) General Contractor
 - v) Architects/Engineers
 - vi) Appraisers
 - vii) Market Study evaluators
- (j) Oversight of the completion of all punch-list items and construction activities consistent with standards required of lenders and investor partners. The Authority will seek to assure that rehabilitation and/or construction work is completed with no liens, claims or encumbrances on the properties.
- (k) Complete all predevelopment, development and monitoring work including but not limited to feasibility assessments, financial and evidentiary document negotiation and construction monitoring activities required to complete the Project.

Policy Considerations: The recommendations in this report are consistent with the recently updated Public Housing Authority Plan to transition and convert public housing properties under the RAD program. These efforts are also consistent with the Housing Authority's mission to promote self-sustaining housing opportunities for extremely low-income residents in Sacramento.

Economic Impacts: Not applicable.

Environmental Considerations: California Environmental Quality Act (CEQA): The proposed action is an administrative activity and does not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations (CCR) section 15378(b).

National Environmental Policy Act (NEPA): The proposed action is an administrative activity and does not make any commitments to, or give approvals for, specific projects or activities and is exempt under the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations section 58.34(a)(3).

Sustainability Considerations: Not applicable.

Commission Action: It is anticipated that, at its meeting of October 2, 2019, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Board in the event this does not occur.

Rationale for Recommendation: This report recommends authorization for the Housing Authority to enter in a Development Services Agreement with SHARP for the RAD Pilot and all future RAD conversion projects.

Financial Considerations: There are no financial considerations related to this report. All costs borne by the Housing Authority will be reimbursed through the closing of each RAD project. Any future costs associated with the project will be subject to Board approvals and HUD consent.

LBE - M/WBE and Section 3 requirements: Not applicable.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 1-Description/Analysis
- 2-Housing Authority Resolution

RESOLUTION NO. 2019-

Adopted by the Housing Authority of the City of Sacramento

on date of

RENTAL ASSISTANCE DEMONSTRATION PROJECT PHASE 1 REHABILITATION: AUTHORITY TO ENTER INTO A DEVELOPMENT SERVICES AGREEMENT WITH THE SACRAMENTO HOUSING AUTHORITY ASSET REPOSITIONING PROGRAM (SHARP)

BACKGROUND

- A. On October 30, 2018, the Housing Authority Board (Board) of the City of Sacramento (City) adopted Resolution No. 2018-0019, which approved the updates to Housing Authority Asset Repositioning Plan allowing for the conversion of the public housing portfolio under the RAD program.
- B. The Housing Authority intends to convert the properties located at 1043 43rd Ave and 4921 Folsom Boulevard under the RAD program. These properties will be transferred to a low income housing tax credit-eligible limited partnership, of which SHARP is the managing general partner.
- C. SHARP is a California nonprofit public benefit corporation, and a component unit of the Sacramento Housing and Redevelopment Agency (SHRA).
- D. RAD is a program created by HUD to allow Public Housing Agencies to leverage public and private debt and equity in order to address deferred capital needs and improvements, and allows for the conversion from Public Housing to a Section 8 platform.
- E. The Development Services Agreement will allow the Housing Authority to perform all predevelopment and development activities on behalf of SHARP.
- F. The execution of the Development Services Agreement is administrative and does not constitute a project subject to environmental review under the California Environmental Quality Act pursuant to 14 California Code of Regulations section 15378 (b) and is exempt under the National Environmental Policy Act pursuant to 24 Code of Federal Regulations section 58.34(a)(3). Environmental Review for specific activities, such as disposition and/or rehabilitation, under RAD will be completed prior to any discretionary action(s) being carried out with regard to such projects.

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

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

- Section 1. All of the evidence having been duly considered, the facts are presented and stated above, including the environmental facts and findings, as stated above, are found to be true and correct.
- Section 2. The Executive Director is authorized to execute the Development Services Agreement for the RAD Pilot project, a sample of which has been attached hereto as Exhibit A.

Table of Contents:

Exhibit A: Development Services Agreement for RAD Pilot Project

DEVELOPMENT SERVICES AGREEMENT

RAD Pilot Project

THIS AGREEMENT is entered into as of August ___, 2019 and made effective as of December 3, 2018 (the "Effective Date") by and between the HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, a public body corporate and politic ("HACOS"), the HOUSING AUTHORITY OF THE CITY OF SACRAMENTO, a public body corporate and politic ("HACS") (HACOS and HACS, collectively, the "Authorities"), and the SACRAMENTO HOUSING AUTHORITY REPOSITIONING PROGRAM, INC., a California nonprofit public benefit corporation or its controlled affiliate ("SHARP").

RECITALS

A. The Authorities intend to convert certain Properties (as defined below) to the Rental Assistance Demonstration ("RAD") Program under the United States Department of Housing and Urban Development in order to maintain and preserve these affordable housing units (the "Project").

B. The Authorities intend to transfer these Properties to a low income housing tax credit-eligible limited partnership of which SHARP is the managing general partner (the "Partnership") for rehabilitation and ownership, through a ground lease of the land and sale of the improvements to the Partnership.

C. SHARP intends to form an affiliate, SHARP Development LLC, to serve as the Developer of the Properties (as defined below) pursuant to an agreement to be entered into with the Partnership (the "Developer Fee Agreement").

D. During the predevelopment period and the development period of the Project, SHARP desires to retain the Authorities to perform the predevelopment and development services described below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Appointment and Term. SHARP hereby appoints the Authorities to render services for the predevelopment and development of the Properties for SHARP as herein contemplated. The term of this Agreement began on the Effective Date and shall continue until the termination of the Developer Fee Agreement, subject to the provisions of Section 6 of this Agreement.

2. Properties. The Properties to be converted to RAD are Housing Authority of the County of Sacramento properties located at 8223 Walerga Road, Antelope, CA; 4930 El Paraiso Avenue, Sacramento, CA; 4500 Perry Avenue, Sacramento, CA; 9205 Elk Grove Boulevard, Elk Grove, all in Sacramento County, California; and Housing Authority of the City of Sacramento properties located at 4921 Folsom Boulevard and 1043-43rd Avenue (collectively, the "Properties").

3. Authority and Obligations. Subject to any provisions in the RAD approvals, the Authorities shall have the authority and the obligation to perform all predevelopment and development services necessary to complete the Project, including, but not limited to the following:

- (a) to oversee all architectural design;
- (b) to retain the general contractor for preconstruction services and construction management;
- (c) to oversee, monitor and direct the general contractor and all consultants with respect to the pre-development and development of the Properties;
- (d) to interact with state and federal government authorities with respect to the completion of the application for, and the conversion of the Properties to RAD and the re-construction of the Properties;
- (e) to take all necessary acts for the Properties to comply with zoning, building codes, occupancy permits and all other local government requirements concerning the construction of the Properties;
- (f) to prepare, or cause to be prepared such environmental and neighborhood impact studies or reports, engineering surveys, hazardous substance reports, preliminary plans and specifications, as may be required in connection with the re-construction of the capital improvements for the Properties;
- (g) to develop a scope of work and schedule of values for the rehabilitation involved in the Project.
- (h) to create and implement a HUD-approved Financing plan for the Project. The Authorities are working to secure financing through bond applications, and will be responsible for a successful application with assistance of CSG Advisors Incorporated (CSG), the consultant hired to assist the Housing Authority with the bond application process. CSG will be advising on all matters related to the predevelopment and development activities involved with the RAD conversions.
- (i) to procure all contractors necessary for the conversion of the Properties, including any vendor that is needed for third party reports required to successfully submit financial applications. For any predevelopment contracts to be paid for with public housing funds and such other contracts as the parties may agree, the Authorities will create, on SHARP's behalf, any necessary RFQs or RFPs needed to secure these services. These vendors may include, but are not limited to:
 - i) Environmental consultants
 - ii) Pest Control Company (Wood Destroying and General)
 - iii) Hazardous Material Inspectors

- iv) General Contractor
- v) Architects/Engineers

- (j) to oversee the completion of all punch-list items and to cause completion of the Properties, subject to no liens, claims or encumbrances which are not permitted under the construction loans, as required under any loan documents or the investor partnership agreement.
- (k) to complete all predevelopment, development and monitoring work including but not limited to feasibility assessments, financial and evidentiary document negotiation and construction monitoring activities required to complete the Project.

4. Fees. HACOS shall receive seventy percent (70%) of the total developer fee paid to SHARP under the Developer Fee Agreement as and when any such fee is received by SHARP, including any deferred fee, and SHARP shall retain thirty percent (30%) of such fee. Payment of this fee to HACOS will compensate the Authorities for staff time, administrative resources and coordination efforts performed in relation to the Project.

5. Predevelopment Costs and Contracts. Costs paid by the Authorities for predevelopment work will be incorporated into and made a part of the public housing Capital Fund loans from the Authorities to the Partnership, which are to be repaid out of Partnership residual receipts. Predevelopment contracts for the Project entered into by the Authorities or SHARP shall be assigned to the Partnership at the time of the construction closing, subject to the approval of the investor limited partner of the Partnership.

6. Termination. If a Developer Fee Agreement for the Project has not been fully executed on or before the third anniversary of the Effective Date, this Agreement shall automatically expire, unless extended or modified by mutual agreement of the parties.

7. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law now or hereinafter in effect which renders any provision hereof prohibited or unenforceable in any respect.

8. Applicable Law. This Agreement, and the application or interpretation hereof, shall be governed by the laws of the State of California applicable to agreements made and to be performed entirely therein.

9. Indemnification. SHARP and the Authorities hereby indemnify and hold harmless each other from any loss or damage incurred by the indemnified party by reason of the gross negligence, fraud, breach of fiduciary duty or willful misconduct by the indemnifying party related to the provision of development services under this Agreement.

10. Binding Agreement. This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns. Notwithstanding the foregoing, SHARP shall not assign or encumber its respective rights and obligations under this Agreement and any such assignment or encumbrance shall be void ad initio.

11. Headings. All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

12. Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine and neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

13. Reliance. No person other than the parties to this Agreement may directly or indirectly rely upon or enforce the provisions of this Agreement, whether as a third party beneficiary or otherwise.

14. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties or any third party to create the relationship of partners or joint ventures between SHARP and the Authorities.

[Signatures follow on next page.]

SHARP:

SACRAMENTO HOUSING AUTHORITY
REPOSITIONING PROGRAM, INC.,
a California nonprofit public benefit corporation

By: _____
James Shields,
President

HACOS:

HOUSING AUTHORITY
of the COUNTY OF SACRAMENTO,
a public body corporate and politic

By: _____
La Shelle Dozier,
Executive Director

HACS:

HOUSING AUTHORITY
of the CITY OF SACRAMENTO,
a public body corporate and politic

By: _____
La Shelle Dozier



September 19, 2019

**Sacramento Housing and
Redevelopment Commission
Sacramento, CA**

Honorable Members in Session:

SUBJECT:

Authorization To Enter Into Development Services Agreement With The Sacramento Housing Authority Repositioning Program, Inc. (SHARP) For The Rental Assistance Demonstration (RAD) Project

SUMMARY:

The attached report is submitted to you for review and recommendation prior to consideration by the County of Sacramento.

RECOMMENDATION:

Staff recommends approval of the recommendations outlined in this report.

Respectfully Submitted


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
October 22, 2019

To: Housing Authority of the County of Sacramento

Through: Navdeep S. Gill, County Executive

From: La Shelle Dozier, Executive Director, Sacramento Housing
and Redevelopment Agency

Subject: Authorization To Enter Into Development Services With
The Sacramento Housing Authority Repositioning Program,
Inc. (SHARP) For The Rental Assistance Demonstration
(RAD) Project

Supervisory
District(s): Countywide

RECOMMENDED ACTION

Pass a Housing Authority Resolution authorizing the Executive Director to enter into a Development Services Agreement with SHARP to allow the completion of all predevelopment and development services necessary to complete the Rental Assistance Demonstration (RAD) Pilot project and future RAD conversion projects.

BACKGROUND

On October 30, 2018, the Housing Authority Board (Board) adopted Resolution No. HA-2423, which approved updates to the Housing Authority Asset Repositioning Plan allowing for the conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD). Additionally, the Board authorized the Housing Authority to submit applications to the United States Department of Housing and Urban Development (HUD) to reposition and convert County Public Housing Properties under the RAD Programs.

Authorization To Enter Into Development Services With The Sacramento Housing Authority Repositioning Program, Inc. (SHARP) For The Rental Assistance Demonstration (RAD) Project
Page 2

On November 30, 2018, HUD approved the Housing Authority's application to convert 124 public housing units to RAD (86 in the County of Sacramento and 38 units in the City of Sacramento) and also allocated 124 RAD Program Specific Project Based Vouchers (PBVs). These vouchers are new to Sacramento and will increase the total number of vouchers available in Sacramento which are administered by the County Housing Authority.

As part of the updated Asset Repositioning Plan, Guiding Principles were adopted as the policy direction for each reposition activity. The general parameters of those principles were to prevent loss of units for extremely low income households, facilitate a decrease in reliance on federal funds, incorporate smart growth principles into development opportunities, reinvest any sale proceeds into Housing Authority replacement units, foster partnerships with entities to position development efforts for success, and to pursue actions that would generate fees and other revenue for the Housing Authority. Conversion to RAD is a critical component of the Asset Repositioning plan as RAD allows public housing agencies (PHAs) to convert public housing units to long-term, Project-Based Voucher rental assistance developments. Converting the properties under RAD facilitates access to private debt and equity to address immediate and long-term capital needs.

The Housing Authority desires to partner with the Sacramento Housing Authority Repositioning Program, Inc., (SHARP) to implement the RAD Phase 1 project at 9205 Elk Grove Blvd, 4500 Perry Avenue, 4930 El Paraiso Avenue, and 8223 Walerga Rd. in the County of Sacramento and also at the properties located in the City of Sacramento. SHARP is a financial component unit of SHRA, and acts as one of SHRA's non-profit corporations. Partnering with SHARP allows the Housing Authority to apply for tax credits as a funding source for the RAD conversion projects which is a vital component to making the conversions feasible.

The predevelopment and development activities to be undertaken by SHARP include, but are not limited to, the following:

- (a) Oversight of architectural design.
- (b) Solicitation and contracting, of general contractor and all necessary consultants for preconstruction and construction activities.
- (c) Direct and monitor the general contractor and all consultants with respect to the pre-development and development of the

Properties.

- (d) Interaction with state and federal government authorities to complete applications for the improvement and conversion of the Properties to RAD.
- (e) Facilitate compliance with zoning, building codes, occupancy permits and all other local government requirements concerning the construction of the Properties.
- (f) Preparation of requisite environmental assessments, neighborhood impact assessments, engineering surveys, hazardous substance reports, and preliminary plans and specifications for the Properties.
- (g) Development of a scope of work and schedule of values for the rehabilitation involved in the Properties.
- (h) Creation and implementation of a HUD-approved Financing plan for the Project. The Authorities are working to secure financing through bond applications, and will be responsible for a successful application with assistance of CSG Advisors Incorporated (CSG), the consultant hired to assist the Housing Authority with the bond application process. CSG will be advising on all matters related to the predevelopment and development activities involved with the RAD conversions.
- (i) Procurement of all contractors necessary for the conversion of the Properties, including any vendor that is needed for third party reports required to successfully submit financial applications. For any predevelopment contracts to be paid for with public housing funds and such other contracts as the parties may agree, the Authorities will create, on SHARP's behalf, any necessary RFQs or RFPs needed to secure these services. These vendors may include, but are not limited to:
 - i) Environmental consultants
 - ii) Pest Control Company (Wood Destroying and General)
 - iii) Hazardous Material Inspectors
 - iv) General Contractor
 - v) Architects/Engineers
 - vi) Appraisers
 - vii) Market Study evaluators

Authorization To Enter Into Development Services With The Sacramento Housing Authority Repositioning Program, Inc. (SHARP) For The Rental Assistance Demonstration (RAD) Project

Page 4

- (j) Oversight of the completion of all punch-list items and construction activities consistent with standards required of lenders and investor partners. The Authority will seek to assure that rehabilitation and/or construction work is completed with no liens, claims or encumbrances on the properties.
- (k) Complete all predevelopment, development and monitoring work including but not limited to feasibility assessments, financial and evidentiary document negotiation and construction monitoring activities required to complete the Project.

COMMISSION ACTION

At its meeting of October 2, 2019, the Sacramento Housing and Redevelopment Commission will consider the staff recommendation for this item. Staff will notify the Board in the event that the Commission does not approve the item.

POLICY CONSIDERATIONS

The recommendations in this report are consistent with the recently updated Public Housing Authority Plan to transition and convert public housing properties under the RAD program. These efforts are also consistent with the Housing Authority's mission to promote self-sustaining housing opportunities for extremely low-income residents in Sacramento.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The proposed action is an administrative activity and does not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines at 14 California Code of Regulations (CCR) section 15378(b).

Authorization To Enter Into Development Services With The Sacramento
Housing Authority Repositioning Program, Inc. (SHARP) For The Rental
Assistance Demonstration (RAD) Project
Page 5

National Environmental Policy Act (NEPA): The proposed action is an administrative activity and does not make any commitments to, or give approvals for, specific projects or activities and is exempt under the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations section 58.34(a)(3).

M/WBE/SECTION 3 CONSIDERATIONS

Not applicable.

FINANCIAL ANALYSIS

There are no financial considerations related to this report. All costs borne by the Housing Authority will be reimbursed through the closing of each RAD project. Any future costs associated with the project will be subject to Board approvals and HUD consent.

Attachments:

RES – Housing Authority Resolution

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

RESOLUTION NO. _____

**ADOPTED BY THE HOUSING AUTHORITY OF THE
COUNTY OF SACRAMENTO**

**RENTAL ASSISTANCE DEMONSTRATION PROJECT PHASE 1
REHABILITATION: AUTHORITY TO ENTER INTO A DEVELOPMENT
SERVICES AGREEMENTS WITH THE SACRAMENTO HOUSING
AUTHORITY ASSET REPOSITIONING PROGRAM (SHARP)**

WHEREAS, on October 30, 2018, the Housing Authority Board (Board) of the County of Sacramento (County) adopted Resolution No. HA-2423, which approved the updates to Housing Authority Asset Repositioning Plan allowing for the conversion of the public housing portfolio under the RAD program.

WHEREAS, the Housing Authority intends to convert the properties located at 9205 Elk Grove Boulevard, 4500 Perry Avenue, 8223 Walerga Road and 4930 El Paraiso Avenue under the RAD program. These properties will be transferred to a low income housing tax credit-eligible limited partnership, of which SHARP is the managing general partner.

WHEREAS, SHARP is a California nonprofit public benefit corporation, and a component unit of the Sacramento Housing and Redevelopment Agency (SHRA).

WHEREAS, RAD is a program created by HUD to allow Public Housing Agencies to leverage public and private debt and equity in order to address deferred capital needs and improvements, and allows for the conversion from Public Housing to a Section 8 platform.

WHEREAS, The Development Services Agreement will allow the Housing Authority to perform all predevelopment and development activities on behalf of SHARP.

WHEREAS, the execution of the Development Services Agreement is administrative and does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations (CCR) section 15378 (b) and is exempt under the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal

Rental Assistance Demonstration Project Phase 1 Rehabilitation: Authority
To Enter Into A Development Services Agreements With The Sacramento
Housing Authority Asset Repositioning Program (Sharp)

Page 2

Regulations (CFR) section 58.34(a)(3). Environmental Review for specific activities, such as disposition and/or rehabilitation, under RAD will be completed prior to any discretionary action(s) being carried out with regard to such projects.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING
AUTHORITY OF THE COUNTY OF SACRAMENTO:**

Section 1. All of the evidence having been duly considered, the facts are presented and stated above, including the environmental facts and findings, as stated above, are found to be true and correct.

Section 2. The Executive Director is authorized to execute the Development Services Agreement for the RAD Pilot project, a sample of which has been attached hereto.

Section 3: The Executive Director is authorized to enter into Development Services Agreements for all future RAD conversions involving Housing Authority Public Housing assets in a form approved by Agency Counsel.

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of the Housing Authority of the County of Sacramento this 22nd day of October, 2019, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

RECUSAL: Members,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Rental Assistance Demonstration Project Phase 1 Rehabilitation: Authority
To Enter Into A Development Services Agreements With The Sacramento
Housing Authority Asset Repositioning Program (Sharp)
Page 3

Chair of the Board of the Housing Authority
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk

DEVELOPMENT SERVICES AGREEMENT

RAD Pilot Project

THIS AGREEMENT is entered into as of August __, 2019 and made effective as of December 3, 2018 (the "Effective Date") by and between the HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO, a public body corporate and politic ("HACOS"), the HOUSING AUTHORITY OF THE CITY OF SACRAMENTO, a public body corporate and politic ("HACS") (HACOS and HACS, collectively, the "Authorities"), and the SACRAMENTO HOUSING AUTHORITY REPOSITIONING PROGRAM, INC., a California nonprofit public benefit corporation or its controlled affiliate ("SHARP").

RECITALS

A. The Authorities intend to convert certain Properties (as defined below) to the Rental Assistance Demonstration ("RAD") Program under the United States Department of Housing and Urban Development in order to maintain and preserve these affordable housing units (the "Project").

B. The Authorities intend to transfer these Properties to a low income housing tax credit-eligible limited partnership of which SHARP is the managing general partner (the "Partnership") for rehabilitation and ownership, through a ground lease of the land and sale of the improvements to the Partnership.

C. SHARP intends to form an affiliate, SHARP Development LLC, to serve as the Developer of the Properties (as defined below) pursuant to an agreement to be entered into with the Partnership (the "Developer Fee Agreement").

D. During the predevelopment period and the development period of the Project, SHARP desires to retain the Authorities to perform the predevelopment and development services described below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Appointment and Term. SHARP hereby appoints the Authorities to render services for the predevelopment and development of the Properties for SHARP as herein contemplated. The term of this Agreement began on the Effective Date and shall continue until the termination of the Developer Fee Agreement, subject to the provisions of Section 6 of this Agreement.

2. Properties. The Properties to be converted to RAD are Housing Authority of the County of Sacramento properties located at 8223 Walerga Road, Antelope, CA; 4930 El Paraiso Avenue, Sacramento, CA; 4500 Perry Avenue, Sacramento, CA; 9205 Elk Grove Boulevard, Elk Grove, all in Sacramento County, California; and Housing Authority of the City of Sacramento properties located at 4921 Folsom Boulevard and 1043-43rd Avenue (collectively, the "Properties").

3. Authority and Obligations. Subject to any provisions in the RAD approvals, the Authorities shall have the authority and the obligation to perform all predevelopment and development services necessary to complete the Project, including, but not limited to the following:

- (a) to oversee all architectural design;
- (b) to retain the general contractor for preconstruction services and construction management;
- (c) to oversee, monitor and direct the general contractor and all consultants with respect to the pre-development and development of the Properties;
- (d) to interact with state and federal government authorities with respect to the completion of the application for, and the conversion of the Properties to RAD and the re-construction of the Properties;
- (e) to take all necessary acts for the Properties to comply with zoning, building codes, occupancy permits and all other local government requirements concerning the construction of the Properties;
- (f) to prepare, or cause to be prepared such environmental and neighborhood impact studies or reports, engineering surveys, hazardous substance reports, preliminary plans and specifications, as may be required in connection with the re-construction of the capital improvements for the Properties;
- (g) to develop a scope of work and schedule of values for the rehabilitation involved in the Project.
- (h) to create and implement a HUD-approved Financing plan for the Project. The Authorities are working to secure financing through bond applications, and will be responsible for a successful application with assistance of CSG Advisors Incorporated (CSG), the consultant hired to assist the Housing Authority with the bond application process. CSG will be advising on all matters related to the predevelopment and development activities involved with the RAD conversions.
- (i) to procure all contractors necessary for the conversion of the Properties, including any vendor that is needed for third party reports required to successfully submit financial applications. For any predevelopment contracts to be paid for with public housing funds and such other contracts as the parties may agree, the Authorities will create, on SHARP's behalf, any necessary RFQs or RFPs needed to secure these services. These vendors may include, but are not limited to:
 - i) Environmental consultants
 - ii) Pest Control Company (Wood Destroying and General)
 - iii) Hazardous Material Inspectors

- iv) General Contractor
- v) Architects/Engineers

- (j) to oversee the completion of all punch-list items and to cause completion of the Properties, subject to no liens, claims or encumbrances which are not permitted under the construction loans, as required under any loan documents or the investor partnership agreement.
- (k) to complete all predevelopment, development and monitoring work including but not limited to feasibility assessments, financial and evidentiary document negotiation and construction monitoring activities required to complete the Project.

4. Fees. HACOS shall receive seventy percent (70%) of the total developer fee paid to SHARP under the Developer Fee Agreement as and when any such fee is received by SHARP, including any deferred fee, and SHARP shall retain thirty percent (30%) of such fee. Payment of this fee to HACOS will compensate the Authorities for staff time, administrative resources and coordination efforts performed in relation to the Project.

5. Predevelopment Costs and Contracts. Costs paid by the Authorities for predevelopment work will be incorporated into and made a part of the public housing Capital Fund loans from the Authorities to the Partnership, which are to be repaid out of Partnership residual receipts. Predevelopment contracts for the Project entered into by the Authorities or SHARP shall be assigned to the Partnership at the time of the construction closing, subject to the approval of the investor limited partner of the Partnership.

6. Termination. If a Developer Fee Agreement for the Project has not been fully executed on or before the third anniversary of the Effective Date, this Agreement shall automatically expire, unless extended or modified by mutual agreement of the parties.

7. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law now or hereinafter in effect which renders any provision hereof prohibited or unenforceable in any respect.

8. Applicable Law. This Agreement, and the application or interpretation hereof, shall be governed by the laws of the State of California applicable to agreements made and to be performed entirely therein.

9. Indemnification. SHARP and the Authorities hereby indemnify and hold harmless each other from any loss or damage incurred by the indemnified party by reason of the gross negligence, fraud, breach of fiduciary duty or willful misconduct by the indemnifying party related to the provision of development services under this Agreement.

10. Binding Agreement. This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns. Notwithstanding the foregoing, SHARP shall not assign or encumber its respective rights and obligations under this Agreement and any such assignment or encumbrance shall be void ad initio.

11. Headings. All section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any section.

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14. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the parties or any third party to create the relationship of partners or joint ventures between SHARP and the Authorities.

[Signatures follow on next page.]

SHARP:

SACRAMENTO HOUSING AUTHORITY
REPOSITIONING PROGRAM, INC.,
a California nonprofit public benefit corporation

By: _____
James Shields,
President

HACOS:

HOUSING AUTHORITY
of the COUNTY OF SACRAMENTO,
a public body corporate and politic

By: _____
La Shelle Dozier,
Executive Director

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