



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



7

April 15, 1987

Budget & Finance Committee of
the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Community Development Block Grant Program Funding
Policy and Target Area Reanalysis - City of Sacramento

SUMMARY

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

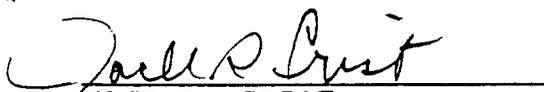
RECOMMENDATION

The staff recommends approval of the attached resolution approving the funding and target area recommendations.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:


JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



April 20, 1987

Sacramento City Council
and
Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members In Session:

SUBJECT: CDBG Funding Policy and Target Area Reanalysis

SUMMARY

The attached resolution approves a series of recommendations which will provide guidelines and priorities for staff to follow as they draft a three-year plan for 1988, 1989, and 1990. The resolution approves the following recommendations:

- 1) Approval of specific target area recommendations as follows:
 - (a) Continue the following target areas for "concentrated" CDBG activities: East Del Paso Heights and Gardenland.
 - (b) Continue staff assistance to the Meadowview Improvement Committee.
 - (c) Consider addition of the Noralto and Southeastern Oak Park areas for capital improvement needs to coincide with the new Neighborhood Housing Services (NHS) program.
 - (d) Redesignate the Del Paso Heights Redevelopment area as an area where CDBG funds may be used for capital improvements.

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- 2) Continue the Workrecreation Program in the following areas: East Del Paso Heights, Del Paso Heights, Gardenland, Alkali Flat, Oak Park, Woodbine, and Meadowview.
- 3) Approve the targeting priorities of CDBG activities and the recommended funding guidelines as follows:

44% to 45%	-	Housing
15%	-	Public Services
18% to 19%	-	Capital Improvements
0% to 6%	-	Economic Development
14%	-	Administration
4%	-	Contingency
- 4) Authorize staff to coordinate evaluations of public service programs in early 1988 to ensure programatic targeting is current with changing social service needs.
- 5) Authorize staff to develop guidelines for a "Self Sufficiency Incentive Program" for CDBG-funded public services.
- 6) Authorize staff to prepare a Three-Year Plan and individual target area three year plans in accordance with the above-recommended policies and to hold public hearings before the TAC's as necessary to allow for adequate input from the public on target area plans.
- 7) Continue Target Area Committees in those areas where capital improvements will still be considered for funding. The Gardenland TAC should be phased out in 1989. It is recommended that the Redevelopment Agency in coordination with the NHS Board, hold public hearings to establish needs for CDBG funding in the NHS areas where no TAC exists and that the Del Paso Heights RAC and the Oak Park PAC should advise on potential CDBG projects in the redevelopment areas.

Additionally, this report requests direction from the Council on alternatives that staff should pursue to achieve the plan's goals if future entitlements are reduced. Particularly, staff seeks direction on how to prevent further deterioration of capital improvement and economic development funding. (See discussion under "Alternatives to Address Grant Reductions.")

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BACKGROUND

In order to present a guideline or strategy for community development, the preparation of a plan is necessary. The CDBG Program has in the past and in accordance with HUD guidelines, compiled its major planning strategies on a three-year basis, with priorities being reviewed and analyzed on a yearly basis in preparation of annual CDBG grant applications to HUD. This report contains a recommended strategy for the preparation of the upcoming 1988-1990 Community Development Block Grant Three-Year Plan.

As you may recall, when the County and City CDBG Programs were transferred to the Agency in 1982, an extensive reanalysis was completed on the City's program. The major policy recommendation from this reanalysis was to develop a concentrated funding strategy which would lead to identifiable neighborhood improvement. In order to accomplish this, the thirteen (13) existing target areas were decreased to five (5) multiple treatment target areas. In addition, some areas were designated to receive "special treatment" as needed (i.e. Workrecreation, Nuisance Abatement, etc.). This recommendation was made on the basis that with limited (and actually decreasing) funding, it was not possible to achieve visible neighborhood improvements in thirteen areas; therefore, funds should be concentrated in fewer targeted areas to be able to positively affect those areas. The multiple treatment target areas were selected based on extensive needs analyses including statistical information on current census data of the areas, field surveys of identified infrastructure needs and overall housing conditions, and comprehensive citizen input which identified specific neighborhood concerns. From this information some areas were eliminated based on the fact that their needs were either not extensive enough to warrant CDBG funding or their primary problems could not be addressed with CDBG funding. Other areas were selected for minimal CDBG assistance based on identified needs. These included areas where high crime problems were identified and CDBG funds were utilized for one-time Home Alert and Truancy Patrol efforts. The five areas selected as "multiple treatment" areas were to be targeted for capital improvements, housing rehabilitation, Home Alert, and nuisance abatement activities. These areas were East Del Paso Heights, Gardenland, Woodbine, and the redevelopment project areas of Oak Park and Del Paso Heights.

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The 1985-1987 Three-Year Plan continued to address needs in the five targeted areas. However, as funding decreased and the cost of projects increased, it has taken considerably more money and time than initially anticipated to complete comprehensive work in these areas; therefore, in order to maintain the initial goal of identifiable neighborhood improvement, recommendations were made to concentrate efforts in the three CDBG target areas, East Del Paso Heights, Gardenland, and Woodbine, and to rely more heavily on tax increment funds for the redevelopment project areas.

This report further analyzes the community development and neighborhood improvement needs in these areas and recommends overall strategies and targeting policies to be guidelines for the upcoming three years (1988, 1989, and 1990). It also tries to address the uncertainty of federal funding; however due to the unknown factor of future funding levels, it should be noted that priority statements for each year of the three-year plan may need to modify the overall strategy outlined here in response to funding commitments.

Overall Strategy - The primary objective of this report is to analyze priorities for funding and recommend targeting policies within the eligible CDBG activity categories: capital improvements, housing (rehabilitation), public services, economic development, and program administration. The method by which this is accomplished is generally to present an overall plan on how to target funds followed by specific recommendations on each activity. Since some CDBG activities (i.e. capital improvements) focus on specifically targeted geographic areas, each area will develop its own plan to meet community development needs which will be appended to and incorporated into the overall plan.

I. Target Area Recommendations

As you are well aware, the federal budget reduction efforts have threatened past CDBG funding and continue to threaten future entitlements. Because that funding is not expected to increase and decreased funding in recent years has created a backlog of needs, this report basically recommends maintaining the currently designated target areas with the exception of the proposed expansion to NHS areas and the Del Paso Heights Redevelopment Area. If the entitlement amount increases in future years, staff will then reanalyze needs and consider recommending adding target areas.

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The current areas receiving CDBG funding and the continuing recommended strategy for those areas are as follows:

- A. East Del Paso Heights - Since critical needs still exist in this area which would most likely only be addressed with CDBG financing, it is recommended that this area continue as a designated target area for capital improvement needs as well as for nuisance abatement and Workrecreation Programs. (See Attachment 1-b.)

- B. Gardenland - Although no major capital improvement needs will remain in the Gardenland area after 1988, it is recommended that the area continue to be a targeted area for CDBG funding (i.e. minor neighborhood improvement projects, etc.) because of the establishment of the area as a Neighborhood Housing Services (NHS) area. It is also recommended that this area continue to receive concentrated nuisance abatement attention and Workrecreation Program services. As the three-year planning process evolves, there may also be a need to fund other projects and programs in this area as needed to support the NHS Program. The boundaries of this area may be modified in accordance with NHS activities and as NHS area boundaries are more firmly established. (See Attachment 1-a.)

- C. Woodbine - As recommended in the 1987 Priority Statement, this area will no longer be a target area for capital improvements. Basically, the capital improvement needs of this area have been addressed. Approximately \$2.3 million of CDBG funds will have been expended in the Woodbine area to provide street and park improvements when all projects are complete. A unique project which is currently being completed involved the leveraging of funds and the donation of volunteer labor towards the beautification of a vacant lot which children walk through to get to school.

Woodbine will continue to receive Workrecreation Program services as well as nuisance abatement attention.

For your information, the Woodbine target area program has been very successful in comprehensively changing the neighborhood through curb, gutter, sidewalk, and street work. This has resulted in visible upgrading of private homes, and has spurred substantial infill housing because of the availability of frontage improvements.

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- D. Meadowview - Although not a capital improvement area, Meadowview will continue to benefit from the Workrecreation Program and nuisance abatement services. This is based on the earlier identified and continuing need for such services as opposed to infrastructure improvements there. The Meadowview Improvement Committee will also continue with staff assistance provided by the Agency.

The following areas are being proposed for CDBG funding consideration:

- A. Noralto Area - Basically, this would be an extension of the Gardenland Target Area and would encompass the area bounded by Las Palmas Avenue on the north, the old Sacramento Northern Railroad right-of-way (bike trail) on the east, and the Natomas East Drainage Canal on the west. Because of the City's commitment to the NHS Program, this area should be included for consideration for CDBG funding for necessary improvements. There are somewhat extensive infrastructure deficiencies in this area which need to be addressed. (See Attachment 1-d.) (The boundaries of the Noralto NHS area may be modified as NHS activities are initiated in the area.)
- B. Oak Park/Fruitridge Pocket Area (Southeastern Oak Park) This area is also a designated NHS area and basically encompasses the area east of 44th Street, south of Broadway, west of Stockton Boulevard, and north of 14th Avenue. This NHS area also includes an area south of 14th Avenue which is in the County of Sacramento. Again, because of the City's commitment to NHS and the potential need for CDBG funding to assist NHS in its activities, this area is being proposed as a "target area". This area is also part of the Oak Park Redevelopment area, therefore the use of tax increment funds in this area for improvements will also be appropriate. (See Attachment 1-e.)
- C. Del Paso Heights - As you know, the Del Paso Heights area is a redevelopment area. In the 1987 priorities, it was recommended that this area rely entirely on tax increment funding because of the limited CDBG funds available. However, staff now proposes that Del Paso Heights again be designated as eligible for CDBG capital improvement funding. This recommendation is made because the very limited tax increment flow being realized by Del Paso Heights is inadequate to make improvements in even a small area and because the completion of Woodbine improvements potentially frees some CDBG dollars. (See Attachment 1-c.)

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As stated earlier, each of the above areas will have individual plans prepared for specific three-year priorities. This will be accomplished through public hearings held in those areas by the target area committees. The NHS areas, in coordination with the NHS Board of Directors and staff, will provide recommendations to be included in the three-year plan and, of course, considered by the Commission and the City Council.

II. Recommended Funding Priorities (Targeting Policy)

In each priority statement or planning document it is necessary to review needs and recommended funding or "targeting" priorities for CDBG-funded activities. Since 1982, staff has followed the general funding guidelines of the City Reanalysis Report by recommending approximate "percentage of the grant" allocations as follows:

Capital Improvements	33%
Housing	34%
Public Services	10%
Economic Development	10%
Administrative Services*	13%

In consideration of budget reductions, the 1987 priority statement prioritized CDBG funding categories/activities as follows: The highest priority was given to housing with a secondary emphasis on public services; economic development of distressed, older but potentially viable commercial areas; and capital improvements.

* This includes Fair Housing, MBE/WBE Programs, Labor Compliance, and Citizen Participation costs.

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So long as the annual grant approximates the amount received in 1987, staff believes these funding goals need only slight modifications.

An expanded discussion of each funding activity is included below with a guideline "percentage of grant" figure indicated for each activity in parenthesis. It should be noted that this is only a guideline and that the actual percentage should be re-evaluated each year in the priority statement based on entitlement funding levels and actual identified needs.

A. Housing (44-45%): Because commitments to Section 108 Loan repayments and Neighborhood Housing Services cannot be adjusted and in order to adequately fund the housing rehabilitation and relocation programs, staff recommends increasing the percentage allocated to housing.

1) Rehabilitation: Maintaining existing housing stock remains a crucial community need. The 1983 Reanalysis Report indicated that the housing rehabilitation need of low income residents was widely dispersed. To address this need, the Report recommended revising policies to allow housing rehabilitation to qualified very low income homeowners throughout the City.

In 1985 an evaluation of the Rehab Programs identified 18,000 substandard homes in Sacramento County, most of which were located in the City and occupied by low-income residents. It also determined that low-income elderly and female heads of household were particularly reluctant to encumber an amortized rehabilitation loan for the required 20-year period. Policies were approved to provide a 0% deferred, forgiven (in 5-year increments) 15-year loan to homeowners over age 62 or to homeowners whose housing expenses exceeded 30% of their gross income. Along with these policy changes, a fast track system of customer service was approved to reduce rehabilitation administrative costs and give more homeowner control in the repair process. Further changes were approved to allow eligibility for the rehab program to low and moderate income homeowners (80% of median income) anywhere in the City. Concentrated Rehab programs (eligibility up to 120%

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of median income) and Paint Rebate programs were designated for sections within target areas; these Concentrated Rehabilitation areas were selected by citizen participation groups. The Housing Rehabilitation Division loan policies approved for 1986 implementation proved so successful that the number of applications in process has exceeded the money available. Therefore, currently available are federally funded Section 312 rehab loans, requiring 3% interest and full code compliance; retrofitting grants; and emergency repair grants limited to life threatening situations. These programs are available to low-income residents throughout the City.

The Rehabilitation Division is currently developing lending policies for 1988. Future recommendations will include recommendations for continuation of funding for this important program.

- 2) Nuisance Abatement - This program addresses the critical need in the target areas of abating nuisances such as abandoned automobiles, junk, zoning violations, etc. This program is currently being funded directly by the City. Funding responsibility for this program was taken over by the City to free CDBG funding for homeless programs.

Staff recommends continued City General Fund support for this program.

- 3) Section 108 Loans - Paybacks of Section 108 loans cannot be adjusted; therefore the allocations for loan paybacks through 1993 are committed. In order to maintain funding for other CDBG activities, staff recommends that future loans be considered only for projects which are a very high priority and where no other funding sources are available. (See Section 108 Loan Repayment Schedule - Attachment 2.)

- B. Public Services (15%): Staff recommends maintaining the funding level for public services within the funding cap allowed by HUD (15% of the total grant amount). Because currently funded programs provide valuable services to the low-income segment of the community and because other sources of funding for these services have been

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drastically cut or eliminated, CDBG should continue to finance these programs. Over the course of the three-year planning cycle, however, these programs will face a need for funding increases because of cost-of-living adjustments, inflation, etc. CDBG funds may not be available to address this need because of the 15% funding cap imposed by HUD regulations. Therefore, two recommendations are presented here for consideration:

- 1) Evaluation of Programs. Evaluations of all public service programs should be conducted in early 1988 to determine their effectiveness in meeting needs of the low-income population, the continuing need for these services, how they assist in meeting overall community development objectives, and the funding levels necessary to maintain their effective service provision. Currently, the public service programming priorities are shelter for the homeless and youth employment programs.

- 2) Self-Sufficiency Incentive Program. This would be a funding allocation of \$80,000 set aside to provide incentives for those CDBG-funded public service programs which are able to achieve additional revenue from sources other than CDBG. If this concept is approved, specific guidelines would be drafted, but basically the program would work in the following way: CDBG would provide additional matching incentive grants up to a maximum amount per nonprofit CDBG-funded public service provider (i.e. \$10,000) for additional revenue generated by the provider. The additional revenue could come from fund raising, a nonprofit business venture (in which incentive grants could be given for job creation also), and/or grants from other sources which support or expand the CDBG-funded service provided by the Agency. This grant would not be intended to penalize any service provider who did not seek additional revenues, but rather to reward and encourage those who do. The long term goal would be to provide other mechanisms by which these services can continue to be provided in the future if and when CDBG funding is further reduced.

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The policy which states that CDBG-funded public services, must meet a housing-related need or provide youth employment should continue. In addition, the Workrecreation program should be funded and provided to the following areas: East Del Paso Heights, Del Paso Heights, Gardenland, Alkali Flat, Oak Park, Woodbine, and Meadowview.

A separate evaluation has been conducted on the Workrecreation Program and those findings and recommendations will be before your Commission and Council for review. The evaluation suggests that SETA/PIC programs should be utilized where possible to reinforce the Workrecreation program.

- C. Economic Development (0-6%): The CDBG-funded economic development program has used a comprehensive approach toward turning around designated target areas. Upon adoption of a commercial revitalization plan for each area, a full range of activities has been pursued, including the promotion and marketing of the area, organization of the business and property owners, physical upgrading of the commercial buildings and installation and upgrading of capital improvements. Low-interest loans and grants are available to provide incentives for reinvestment. Technical assistance includes loan packaging, storefront design, and commercial revitalization coordinator services. However, during the last two years only five loans and 32 facade improvement grants have been made. This level of activity provided enough carryover funds that less than six percent of the 1987 grant was needed for the program. If this level of loan and grant activity continues, staff recommends scaling the program back by reducing contract coordinator services but retaining strip assistance from program staff and the certified development corporation (Metro Chamber of Commerce). Coordinator services should continue only where evaluation of current contracts shows satisfactory loan activity. Funding should also remain flexible enough to support the development of new initiatives, as was possible for our enterprize zones.

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- D. Capital Improvements (18-19%): Although it is recognized that capital improvement needs are an important element in overall neighborhood revitalization, reductions in CDBG funding as well as other federal programs (housing, in particular) have forced a re-analysis of priorities with infrastructure improvements being given a lower priority when compared to housing and human service needs.

Other factors considered in this prioritization were the extensive list of capital improvements completed in the past and the availability, although limited, of City capital improvement funds.

Staff recommends continued funding of capital improvements in those areas of greatest need which, as stated earlier, include East Del Paso Heights, Del Paso Heights, and the NHS areas of Gardenland/Noralto and Southeastern Oak Park. Capital improvement projects from all of these areas should then be prioritized according to need. As necessary, the "rotation" plan of targeting a major portion of capital improvement funds to one target area per year should continue. This allows the other areas to fund design (and/or smaller projects) in preparation for major construction.

- E. Administration (12%): HUD allows for a maximum of 20% of the grant to be expended for administration of the CDBG Program. Staff recommends continued stabilization of administrative costs with increases as required for pre-determined cost-of-living adjustments and indirect cost rate changes. Additionally, levels should be maintained sufficient to accommodate inclusion of administration of the Human Rights/Fair Housing Commission and the MBE/WBE Program.

As you know, CDBG staff is responsible for full administration of the CDBG program including the annual application, grantee performance report, audit and monitoring reports, and ensuring compliance with all federal requirements related to contracting, purchasing, environmental review, financial review, and equal opportunity. Staff is also responsible for coordinating the monthly activities of three target area committees and coordinating with various City departments and public service providers; and administering the Agency's MBE/WBE Plan. Unfortunately, as CDBG funding has decreased, the administrative responsibilities have not.

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Program administration also includes the costs of maintaining an active citizen participation program which is a crucial component of the CDBG Program. Citizen participation allows residents of target areas to have input on how CDBG can improve their neighborhoods.

The following recommendations address specific target areas and their citizen participation activities:

- a. East Del Paso Heights. Staff recommends continuation of the target area committee in this area because of the significant infrastructure needs remaining in the area.
- b. Gardenland. Staff recommends the continuation of target area committee operations through 1988 with phase-out occurring in 1989.. Due to the establishment of an NHS program in the Gardenland/Noralto area, and the overlapping concerns of the Gardenland TAC and the NHS Board, those interested, active TAC members should attempt to participate in NHS (i.e. as Board members, on Sub-committees, etc.) as the target area committee is phased out. In addition, periodic public meetings sponsored by the Agency in conjunction with NHS should occur to ensure open participation.
- c. NHS Areas (Gardenland/Noralto and Oak Park/Fruitridge Pocket). For projects identified in the Gardenland/Noralto area, the Gardenland TAC will review and make recommendations for CDBG funding. After the Gardenland TAC is phased out in 1989, the NHS Board will operate to address housing rehabilitation, nuisance abatement, and neighborhood clean up needs that occur on a routine basis. In addition, the NHS Board can assist in identifying and seeking public input for annual CDBG capital improvement needs in the NHS area. Its recommendations would, of course, be advisory only and ultimate decision-making responsibility would lie with the Sacramento Housing and Redevelopment Commission and the City Council.

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For projects identified in the incorporated section of the Oak Park/Fruitridge Pocket area (southeastern Oak Park), it is recommended that the NHS Board make recommendations to the Oak Park PAC on potential CDBG funded projects to be forwarded to the Sacramento Housing and Redevelopment Commission and the City Council.

- d. Del Paso Heights - the Del Paso Heights Redevelopment Advisory Committee (RAC) will make recommendations on potential CDBG-funded projects to the Sacramento Housing and Redevelopment Commission and the City Council. This will be coordinated by neighborhood development staff.

- F. Contingency (4%): Because of federal budget cuts and limited contingency funds, it is recommended that contingency funds be reserved for project cost overruns only and not for funding new projects proposed during a grant year. New projects, unless of an immediate health or safety hazard, should not be considered for mid-year funding unless already funded projects are deleted or additional CDBG funds are received.

Staff recommends that approximately four percent contingency balance be maintained, if at all possible, to allow adequate funding for cost overruns.

III. Alternatives to Address Grant Reductions

If the annual grant amount is less than that received in 1987, fixed costs and prior commitments will make these funding guidelines unworkable. Particularly, capital improvements, economic development, and public services would have to be severely curtailed or eliminated. In order to continue a meaningful, effective community development program with even fewer dollars will require initiatives to either replace or augment this funding source. Staff would like direction from the Council on several possible alternatives that would permit continuation of a comprehensive program to meet the needs of our low-income neighborhoods and residents. Possible alternatives include:

- (1) Encouraging increased self-sufficiency for public services as described earlier in this report.

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- (2) Using CDBG to pay only construction contract costs for capital improvements with the City providing design and inspection costs. Many CDBG entitlement areas follow this policy in order to stretch their grant funds to correct inadequate infrastructure in low-income or blighted sections. In Sacramento County, this financing approach has been used in the agreement cities resulting in vastly more improvement to deteriorated streets, sewers, parks, water systems, and community centers. Since the City benefits from infrastructure improvement, in-kind engineering services to the CDBG program will stretch dollars to cover more "hard" costs and accomplish more improvements.
- (3) Using City funds to finance administration of the program. Similarly, in some cities, the administration of the CDBG program is funded by the City and not from the grant in order to maximize grant resources for program costs.

FINANCIAL DATA

This report outlines targeting policies and strategies for formulating a three-year plan. Actual future grant amounts are not known at this time.

ENVIRONMENTAL REVIEW

The Three-Year Plan will be reviewed under requirements of both the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA) prior to its adoption. Likewise, all projects and programs included in the proposed three-year plan must be reviewed annually under both of these Acts. However, actions recommended by this report do not require review at this time because they are administrative actions.

POLICY IMPLICATION

This report recommends no major policy changes. Staff believes the recommendations set forth in this report are consistent with overall community development objectives and will be appropriate if future grants are maintained at current levels. This report does, however, request policy direction from the Council on alternatives for maintaining a comprehensive CDBG program if future grants are reduced.

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VOTES AND RECOMMENDATION OF COMMISSION

At its regular meeting of April 20, 1987, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

RECOMMENDATION

Staff recommends adoption of the attached resolution to:

- 1) Approve specific target area recommendations as follows:
 - (a) Continue the following target areas for "concentrated" CDBG activities: East Del Paso Heights and Gardenland.
 - (b) Continue staff assistance (Housing Development Division) to the Meadowview Improvement Committee.
 - (c) Add the Noralto and Southeastern Oak Park area for consideration of capital improvement needs to coincide with the new Neighborhood Housing Services (NHS) program.
 - (d) Redesignate Del Paso Heights Redevelopment area as an area where CDBG funds may be used for capital improvements.
- 2) Continue the Workreation Program in the following areas: East Del Paso Heights, Del Paso Heights, Gardenland, Alkali Flat, Oak Park, Woodbine, and Meadowview.
- 3) Approve the targeting priorities of CDBG activities and the recommended funding guidelines as follows:

44% to 45%	-	Housing
15%	-	Public Services
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- 4) Authorize staff to coordinate evaluations of public service programs in early 1988 to ensure programmatic targeting is current with changing social service needs.
- 5) Authorize staff to develop guidelines for a "Self Sufficiency Incentive Program" for CDBG-funded public services.
- 6) Authorize staff to prepare a Three-Year Plan and individual target area three year plans in accordance with the above-recommended policies and to hold public hearings before the TAC's as necessary to allow for adequate input from the public on target area plans.
- 7) Continue Target Area Committees in those areas where capital improvements will still be considered for funding. The Gardenland TAC should be phased out in 1989; the NHS Board should act in an advisory role in determining needs to be considered for CDBG funding in the NHS areas where no TAC exists; and the Del Paso Heights RAC and the Oak Park PAC should advise on potential CDBG projects in the redevelopment areas.

Additionally, this report requests direction from the Council on alternatives that staff should pursue to achieve the plan's goals if future entitlements are reduced. Particularly, staff seeks direction on how to prevent further deterioration of capital improvement and economic development funding. (See discussion under "Alternatives to Address Grant Reductions.")

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Maxine Cornwell, 440-1322

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FUNDING POLICY AND TARGET AREA REANALYSIS

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO:

Section 1: The City Council does hereby:

- (a) Authorize implementation of the policies stated in the staff report for this resolution relating to completion of a detailed three-year plan for 1988, 1989, and 1990 which shall be reviewed for approval by the board before September of 1987.
- (b) Approve continuation of the following target areas for "concentrated" Community Development Block Grant activities: East Del Paso Heights and Gardenland.
- (c) Approve continuation of staff assistance (Housing Development Division) to the Meadowview Improvement Committee.
- (d) Approve consideration of the capital improvement needs of Noralto and Southeastern Oak Park areas to coincide with the new Neighborhood Housing Services (NHS) program.
- (e) Approve redesignation of Del Paso Heights Redevelopment area for use of CDBG funds for capital improvements.

- (f) Approve continuation of the Workrecreation Program in the following areas: East Del Paso Heights, Del Paso Heights, Gardenland, Alkali Flat, Oak Park, Woodbine, and Meadowview.
- (g) Approve the following CDBG funding percentages to serve as staff guidelines for administration of the CDBG program as follows:
- | | | |
|------------|---|----------------------|
| 44% to 45% | - | -Housing |
| 15% | - | Public Services |
| 18% to 19% | - | Capital Improvements |
| 0% to 6% | - | Economic Development |
| 14% | - | Administration |
| 4% | - | Contingency |
- (h) Authorize and direct staff to coordinate evaluations of public service programs in early 1988 to ensure concurrence with changing social service needs.
- (i) Authorize staff to develop guidelines for a "Self Sufficiency Incentive Program" for CDBG-funded public services.
- (j) Authorize and direct staff to prepare a Three-Year Plan and individual target area three year plans in accordance with the above-recommended policies and to hold public hearings before the TAC's as necessary to allow for adequate input from the public on target area plans.
- (k) Approve continuation of Target Area Committees in areas identified for capital improvements funding consideration; phasing the Gardenland TAC in 1989.
- (l) Authorize and direct the NHS Board to advise regarding needs for CDBG funding in the NHS areas where no TAC exists.

- (m) Authorize and direct the Del Paso Heights RAC and the Oak Park RAC to advise regarding potential CDBG projects in the redevelopment areas.

On a motion by Member _____, seconded by Member _____, the foregoing resolution was passed and adopted by the Redevelopment Agency of the County of Sacramento, State of California, this _____ day of _____, 1987, by the following vote, to wit:

AYES:

NOES:

ABSENT:

CHAIR

ATTEST:

CLERK

0845L

RESOLUTION No.

Adopted by The Sacramento City Council on date of

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FUNDING POLICY AND TARGET AREA REANALYSIS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Section 1: The City Council does hereby:

- (a) Authorize implementation of the policies stated in the staff report for this resolution relating to completion of a detailed three-year plan for 1988, 1989, and 1990 which shall be reviewed for approval by the board before September of 1987.
- (b) Approve continuation of the following target areas for "concentrated" Community Development Block Grant activities: East Del Paso Heights and Gardenland.
- (c) Approve continuation of staff assistance (Housing Development Division) to the Meadowview Improvement Committee.
- (d) Approve consideration of the capital improvement needs of Noralto and Southeastern Oak Park areas to coincide with the new Neighborhood Housing Services (NHS) program.
- (e) Approve redesignation of Del Paso Heights Redevelopment area for use of CDBG funds for capital improvements.
- (f) Approve continuation of the Workreation Program in the following areas: East Del Paso Heights, Del Paso Heights, Gardenland, Alkali Flat, Oak Park, Woodbine, and Meadowview.

(g) Approve the following CDBG funding percentages to serve as staff guidelines for administration of the CDBG program as follows:

44% to 45%	-	Housing
15%	-	Public Services
18% to 19%	-	Capital Improvements
0% to 6%	-	Economic Development
14%	-	Administration
4%	-	Contingency

(h) Authorize and direct staff to coordinate evaluations of public service programs in early 1988 to ensure concurrence with changing social service needs.

(i) Authorize staff to develop guidelines for a "Self Sufficiency Incentive Program" for CDBG-funded public services.

(j) Authorize and direct staff to prepare a Three-Year Plan and individual target area three year plans in accordance with the above-recommended policies and to hold public hearings before the TAC's as necessary to allow for adequate input from the public on target area plans.

(k) Approve continuation of Target Area Committees in areas identified for capital improvements funding consideration; phasing the Gardenland TAC in 1989.

(l) Authorize and direct the NHS Board to advise regarding needs for CDBG funding in the NHS areas where no TAC exists.

(m) Authorize and direct the Del Paso Heights RAC and the Oak Park RAC to advise regarding potential CDBG projects in the redevelopment areas.

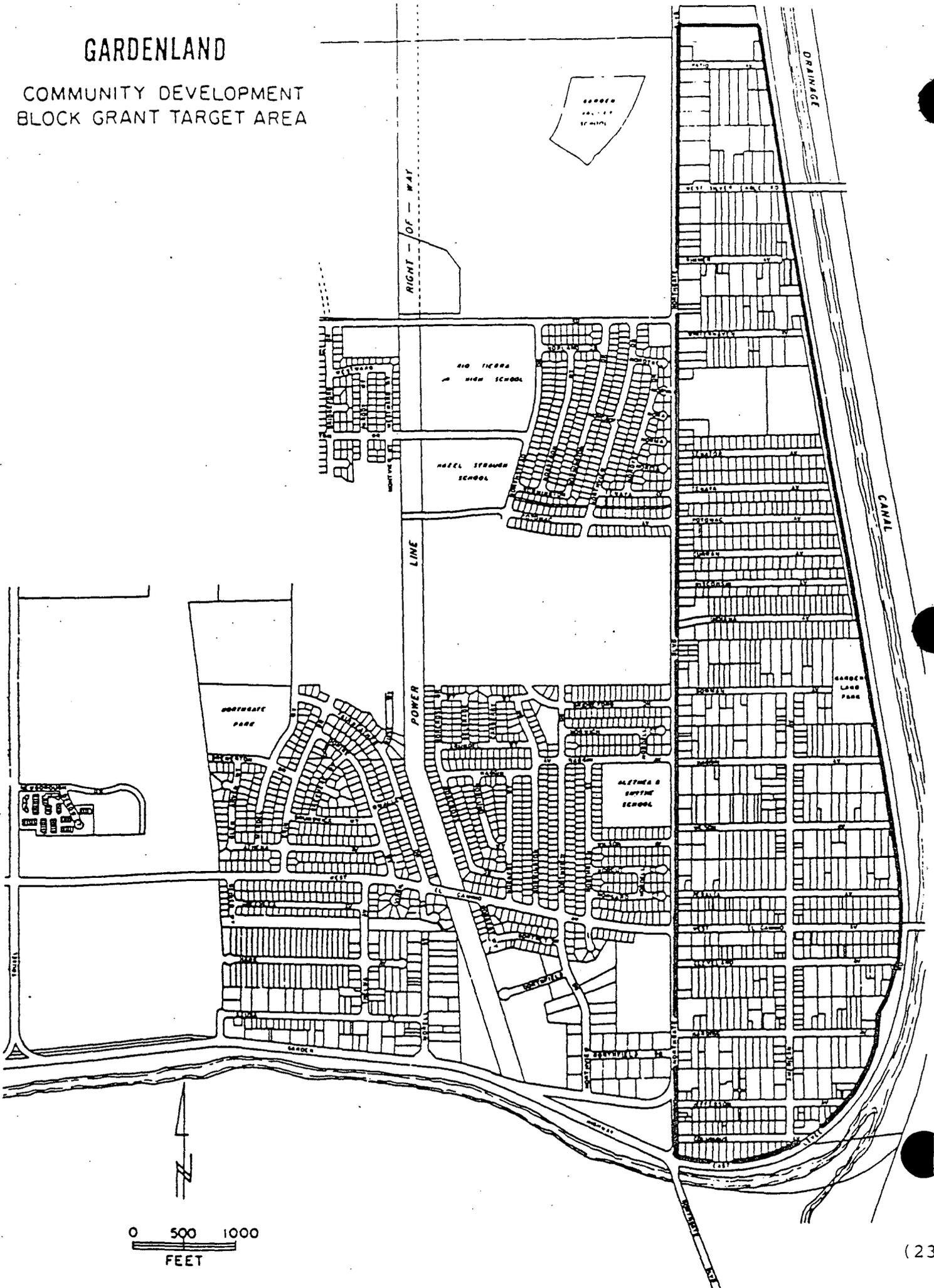
MAYOR

ATTEST:

CLERK

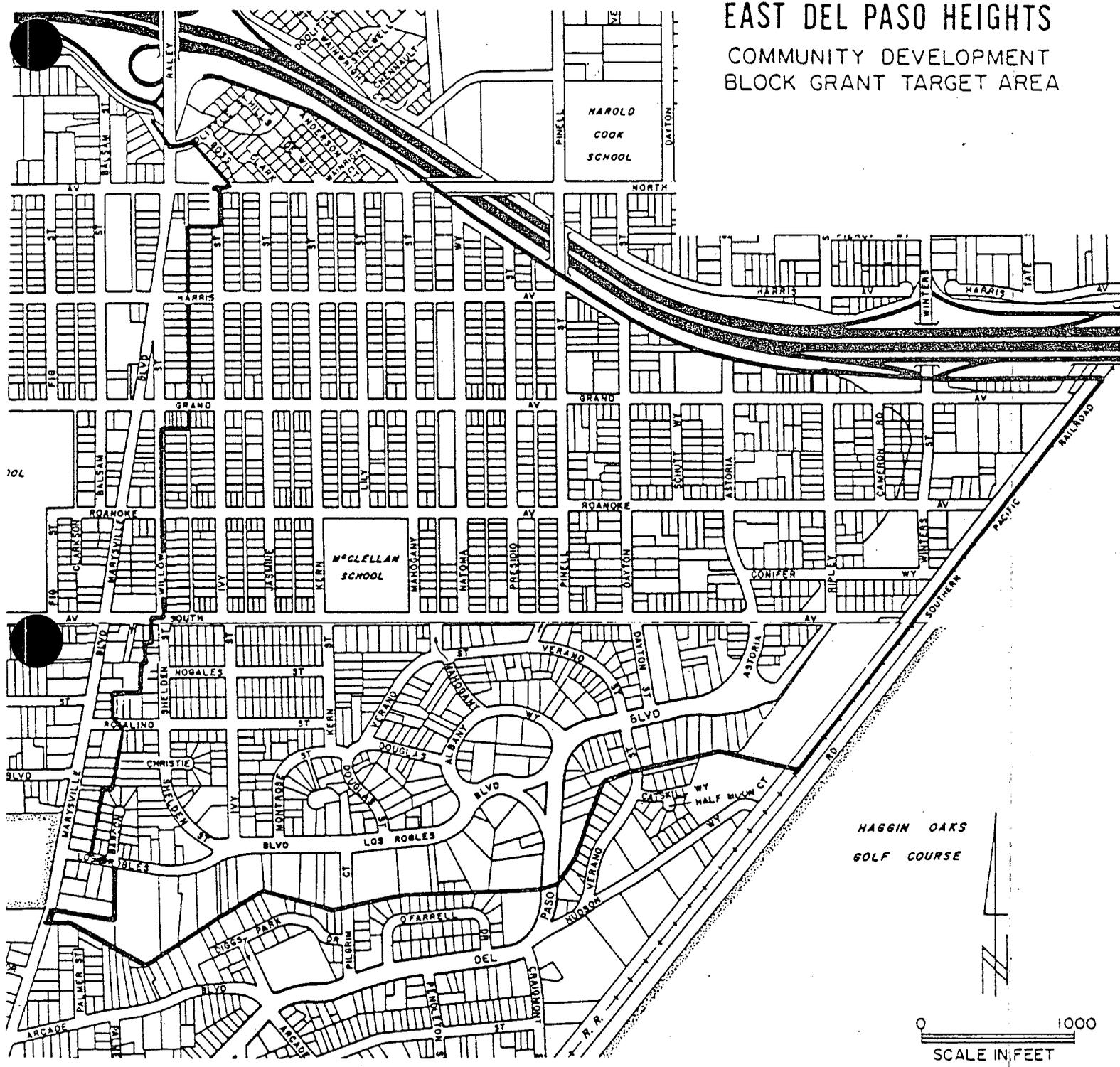
GARDENLAND

COMMUNITY DEVELOPMENT BLOCK GRANT TARGET AREA

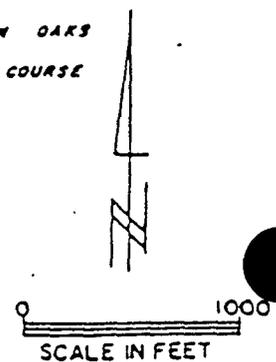
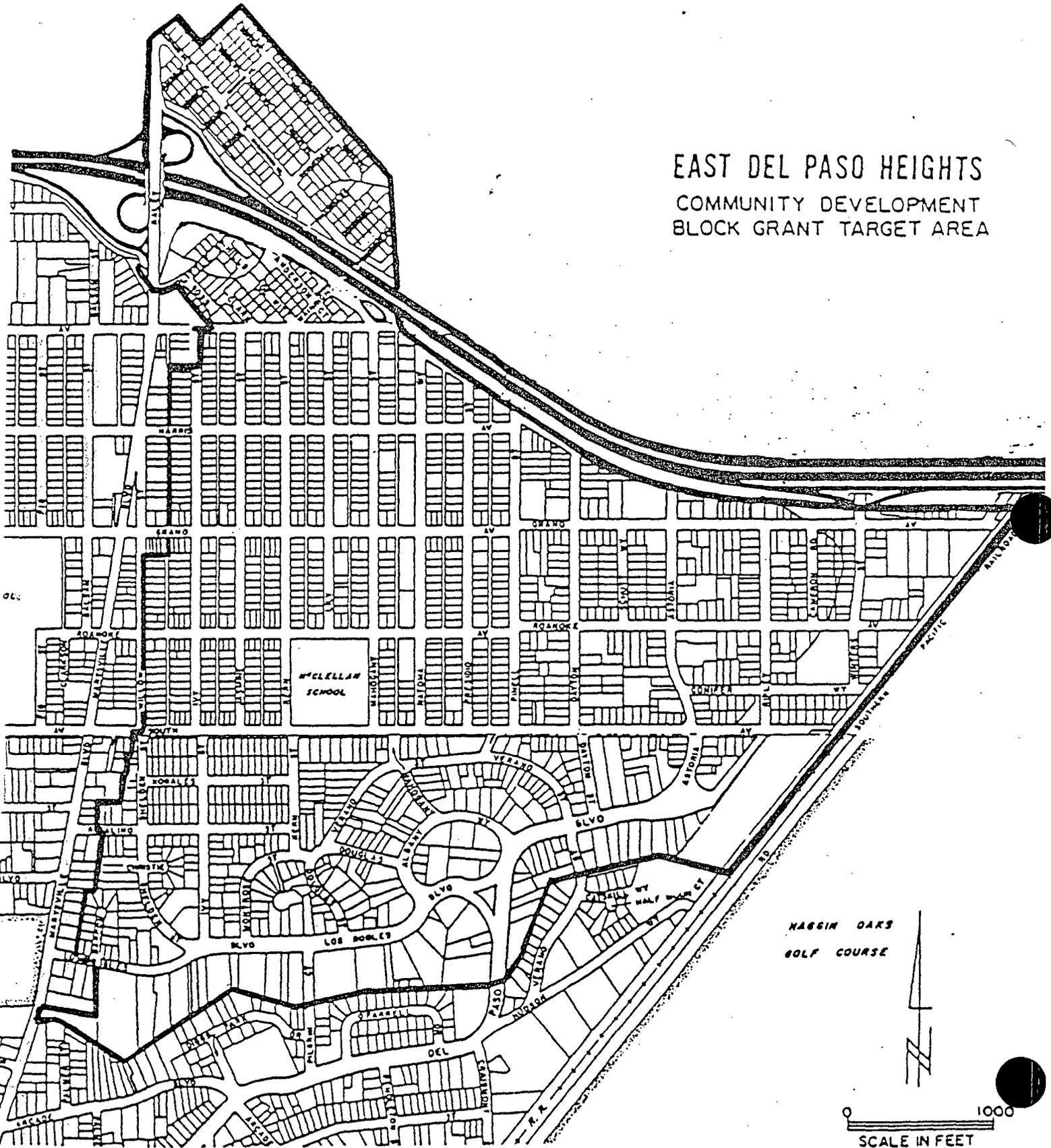


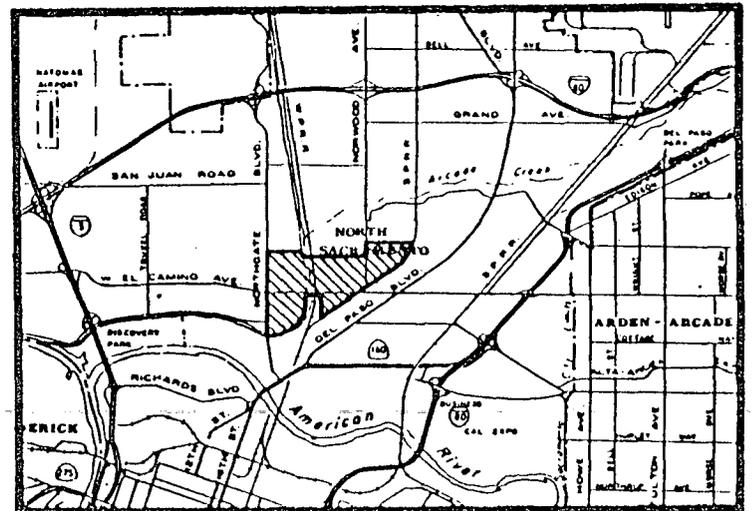
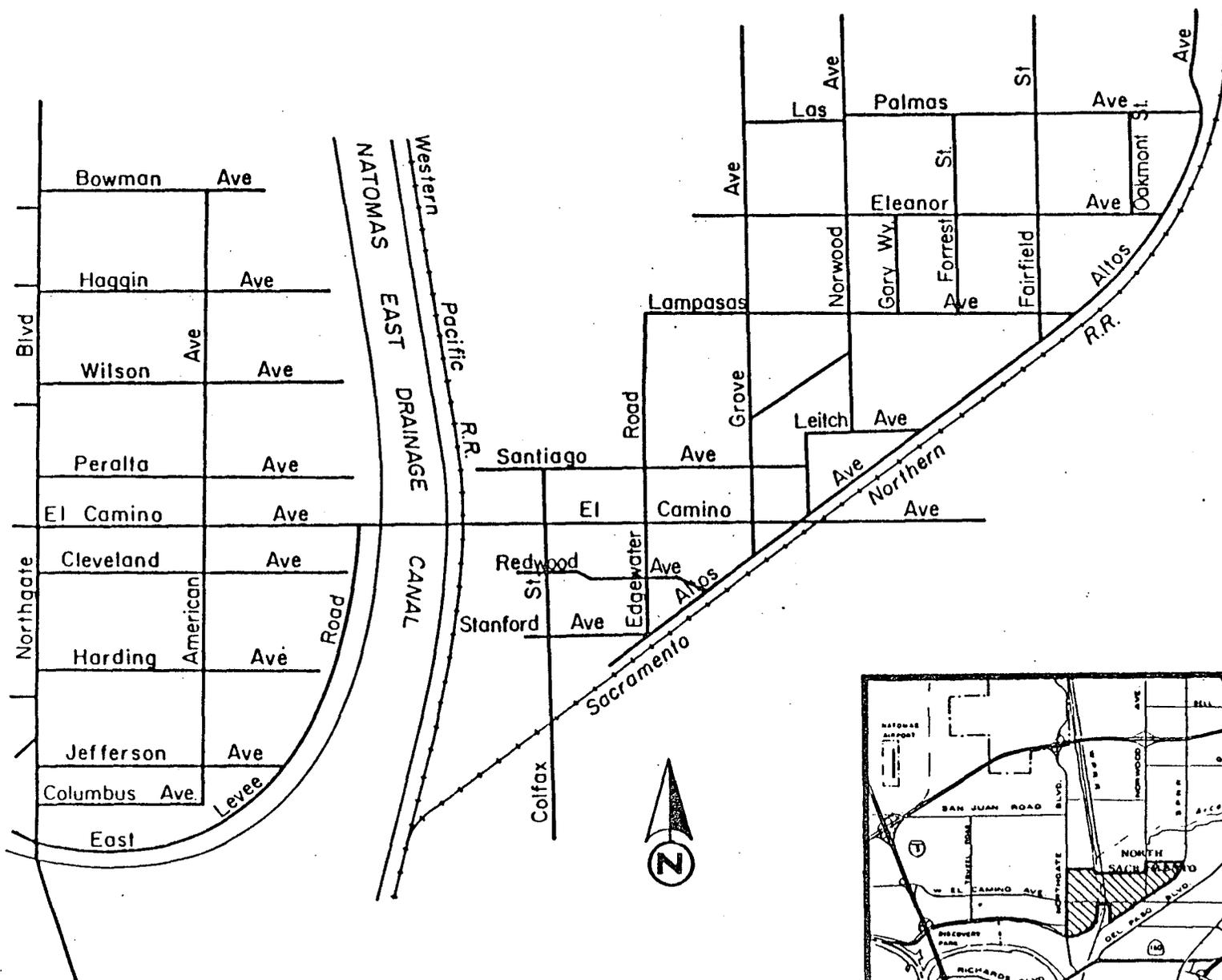
EAST DEL PASO HEIGHTS

COMMUNITY DEVELOPMENT
BLOCK GRANT TARGET AREA

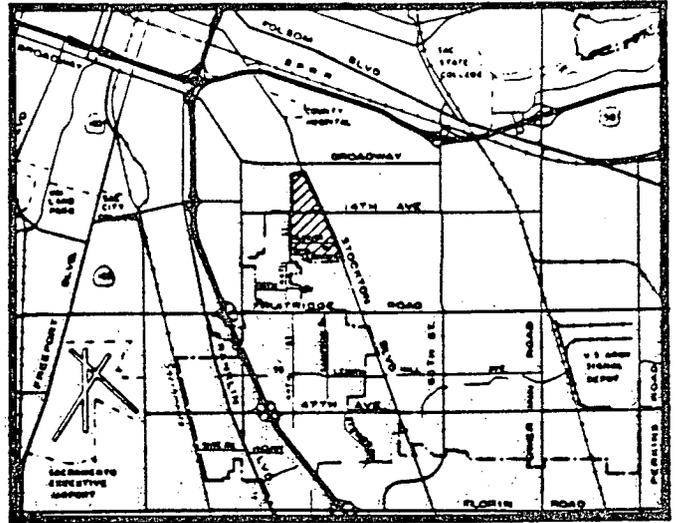
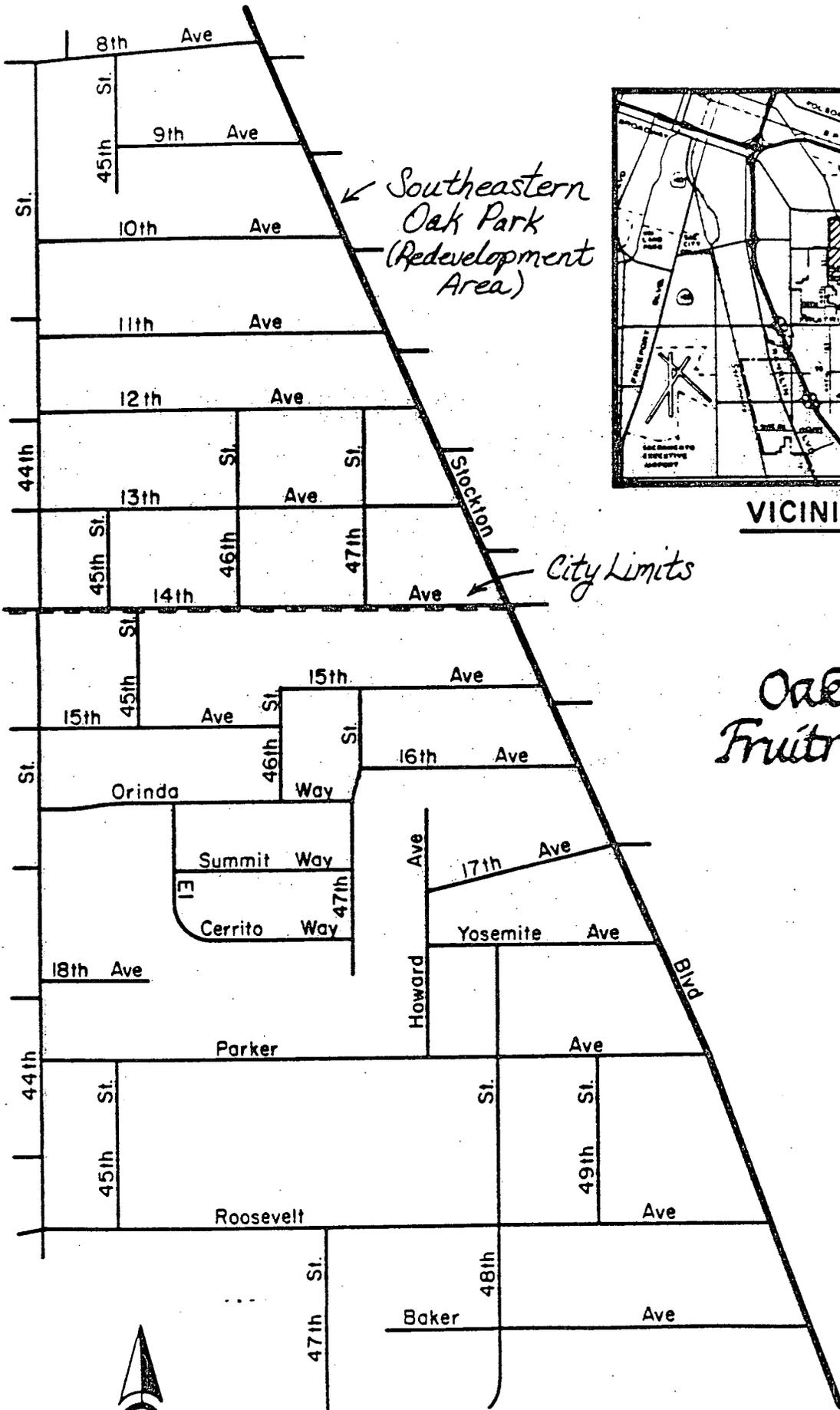


EAST DEL PASO HEIGHTS COMMUNITY DEVELOPMENT BLOCK GRANT TARGET AREA





VICINITY MAP



VICINITY MAP

*Oak Park/
Fruitridge Pocket*



SECTION 108 LOAN REPAYMENT
SCHEDULE*

PROJECT	1987	1988	1989	1990	1991	1992	1993	TOTAL
HODAG FRAIL ELDERLY-1985 (Riverview Plaza) (\$1,000,000.00)	\$ 37,546.39	\$243,225.00	\$243,225.00	\$243,225.00	\$243,225.00	\$243,225.00	243,225.00	\$1,496,896.39
12TH STREET COMMERICAL REVITALIZATION ALKALI-1985 (\$750,000.00)	30,931.17	182,419.00	182,419.00	182,419.00	182,419.00	182,419.00	182,419.00	1,125,445.17
TOTALS	\$ 68,477.56	\$425,644.00	\$425,644.00	\$425,644.00	\$425,644.00	\$425,644.00	\$425,644.00	\$2,622,341.56

* The interest rate for these loans is 12.322% and the term is 6 years.