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APPROVED  
BY THE CITY COUNCIL

SEP 16 1997

OFFICE OF THE  
CITY CLERK

September 3, 1997

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** 1998-2002 SACRAMENTO CITY CONSOLIDATED PLAN FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FUNDED COMMUNITY DEVELOPMENT PROGRAMS

**LOCATION:** City

**RECOMMENDATION**

Staff recommends adoption of the attached resolutions which:

- ▶ authorize the Acting Executive Director to submit the 1998-2002 City Consolidated Plan and Strategy to the U.S. Department of Housing and Urban Development (HUD);
- ▶ adopt the 1998-2002 Consolidated Plan as a policy to guide the investment of federal funds; and
- ▶ amend the Consolidated Plan Citizen Participation Plan

**CONTACT PERSON** John Dangberg, Director of Community Development. 440-1357  
Vicki Cook, Program Manager, Neighborhood Development, 440-1322

**FOR THE COUNCIL MEETING OF:** September 16, 1997

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## SUMMARY

This report presents the Executive Summary of the Sacramento City 1998-2002 Consolidated Plan (Attachment I); the complete Consolidated Plan (Attachment II); the results of the community's input (Attachment III); and amendments to the Citizen Participation Plan (Attachment IV). The Consolidated Plan is a HUD requirement for jurisdictions receiving Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for People with Aide (HOPWA) funds. The plan includes analysis of conditions and needs of the community, qualification and prioritization of needs, and strategies to meet the needs of the community. The adopted strategies will provide a basis for annual budget allocation. The Citizen Participation Plan reflects HUD regulatory requirements in connection with substantial budget amendments.

## COMMISSION ACTION

At its meeting of September 3, 1997, the Sacramento Housing and Redevelopment Commission recommended approval of the attached resolution(s). The votes were as follows:

AYES: Castello, Cespedes, Dobbins, Holloway, Newsome, Rotz,  
Simon, Taylor, Harland

NOES: Hoag

NOT PRESENT TO VOTE: Amundson

ABSENT: None

## BACKGROUND

Federal regulations require jurisdictions which receive Community Development Block Grant (CDBG), Home Investment-Partnership (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for People with AIDS (HOPWA) funds to submit a multi-year strategic plan. HUD refers to this plan as the Consolidated Plan. The purpose of the Consolidated Plan is to comprehensively identify local community and housing development needs, and develop a plan

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through a collaborative community participation process to establish a unified vision which will guide the allocation of available federal resources. The Consolidated Plan then provides the basis for each year's submission of an annual application for federal funding known as the One Year Action Plan.

The process commenced with the collection of raw data and community input. From January to June staff gathered data and reports which demonstrate the needs and trends in the community. The data included information on the condition and affordability of housing, need for public services, lack of infrastructure (including streets, curbs, gutters, sidewalks, street lighting), and need for public facilities throughout Sacramento. This data and other data such as home ownership rates, building permit activities, crime statistics, public assistance rates, education and family status indicators were compiled for the Consolidated Plan and will be kept up-to-date and made available to the City and County of Sacramento to track the health of neighborhoods.

## Community Participation Process

During February, March, and April, thirteen community workshops were held to gather public input; a total of 393 persons attended. Four community workshops were held in the City of Sacramento (one in each Neighborhood Services Area) and nine community workshops were held in the County of Sacramento (Rancho Cordova, North Highlands, Delta, Orangevale, Laguna, Citrus Heights, Fruitridge, La Sierra Community Center, and Encina High School). Extensive outreach took place to encourage area residents and non-profit organizations to attend the meetings. Outreach included formal notices, newspaper ads, flyers, and networking through existing community groups and neighborhood associations. At the workshops, attendees learned about the opportunities, constraints and issues regarding the funding sources and had an opportunity to develop guiding criteria for prioritizing funding requests. As a follow up, a summary of the results was sent to all attendees. Other community input was received at meetings with advisory committees which work with Agency staff on a regular basis. Their input was also considered in the formulation of the Consolidated Plan. A more detailed summary of the community's input is reported in Attachment III.

At each community meeting participants were asked to rank issues and approaches within five topic areas. The five topic areas and the percentage of participants who felt this to be a priority are in Attachment VI. The highlights of issues which were most frequently cited or which seem to be themes throughout the City and County include:

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- ▶ **Children and Youth:** Children and programs that support children and youth were identified as an important issue at every meeting. This included extended school day programs, literacy and enrichment programs and child care. Many residents were interested in how federal community development programs could support schools and programs located at schools.
- ▶ **Families and Persons Participating in Welfare Reform:** Families, and persons participating in welfare reform were of concern to most groups, as was reflected in the emphasis on economic development programs which create or increase job opportunities.
- ▶ **Economic Development and Jobs:** Jobs and economic development issues received high votes as an issue and a funding category in the majority of the meetings. An expanded economic and employment base to serve not only existing residents, but also special populations (persons in welfare reform, the homeless and others) was consistently cited as a key, anti-poverty strategy.
- ▶ **Improvement of the Social Environment:** Relative to overall approach to needs, the greatest majority or 46 percent of participants favored programs or projects which would improve the social environment. This compares to the historic emphasis of the program which was to correct for physical deficiencies in infra-structure and housing. This citizen process appears to suggest that projects should be selected and implemented in a way which enhances the social and economic welfare of neighborhoods through actions such as providing jobs, reducing crime, or enhancing opportunities for youth.
- ▶ **Capital improvements:** Capital improvements for both health and safety and neighborhood enhancement were highly ranked in most areas except Robertson (greater Del Paso Heights), the La Sierra (Carmichael), and to a lesser extent Citrus Heights and North Highlands. Del Paso Heights, Citrus Heights and North Highlands previously received targeted capital improvements through the CDBG program which apparently has corrected many of the physical and infra-structure needs. None-the-less, these groups perceived that socio-economic needs remain particularly in the areas of jobs and youth programs.

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- ▶ **Selection Criteria - Volunteerism and Preparedness:** The top three selection criteria for all groups combined were: 1) projects which have strong neighborhood volunteer support; 2) projects which are most prepared for funding; and 3) projects which build on existing resources or assets. The criterion that projects have matching funds was the least favored of the selection criteria.

Agency staff also met with key City and County staff in Parks, Code Enforcement, Public Works, Neighborhood Services, Community Development, Human Assistance, and Administration departments to clarify mutual goals and improve coordination. These meetings included discussion about how to simplify and clarify the process by which the City and County members can recommend projects and programs for the Agency to undertake, and/or request funding for projects and programs which they would undertake. Recommendations from these discussions were incorporated in our development of the One Year Action Plan and will be expanded in 1998.

The non-profit housing provider community, as represented through Sacramento Housing Alliance, has established a CDBG subcommittee that has met with staff to provide input important to their concerns. One meeting was devoted to a discussion of the housing needs of Sacramento in connection with the development of the Consolidated Plan. Meeting participants expressed strong concern about the impacts of welfare reform including: ex-welfare recipients' inability to continue to afford current rent levels; increased homelessness; increased vacancy rates which will impair owners' ability to make mortgage payments or keep up with maintenance and repairs; and the need for more and longer transitional programs (for substance abuse, domestic violence, and homelessness) which will truly provide participants with the means to turn their lives around.

The result of all the processes described in this report is the 1998-2002 Consolidated Plan (Attachment II) and the Executive Summary of the Consolidated Plan (Attachment I). The Executive Summary contains the priorities, strategies and goal for community revitalization. The complete Consolidated Plan which also includes compilation and assessment of the conditions and needs of the community, documents priorities established by the community, while allowing flexibility to respond to changes in the economic and social environment and latitude to use alternative methods of the problem resolution.

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The 1998-2002 Consolidated Plan has been made available for public comment. Copies of the Plan have been sent to interested community members, Project Area Committees, Redevelopment Advisory Committees, Target Area Committees and other community leaders. The plan was also presented at public hearings on August 14, 1997, at the Fruitridge Community Center and August 18, 1997, at the Hagginwood Community Center in order to receive citizen review and input. Input received has been summarized and is included as Attachment V.

Following adoption of the Consolidated Plan, the 1998 One Year Action Plan allocation recommendations, based on the 1998-2002 Consolidated Plan, will be submitted for your approval in October 1997. The 1998 One Year Action Plan will contain specific funding recommendations for programs and projects to be implemented in 1998 and in subsequent years.

The changes to the Citizen Participation Plan recommended in this report are consistent with HUD regulatory requirements. The proposed changes, will allow nonsubstantial budget amendments to be made pursuant to the current policies which regulate all Agency funds. The change would remove the requirement for public hearings and related costly advertisements except in cases where a change is "substantial" as defined by HUD (see Attachment IV). Substantial changes include:

- ▶ any reprogramming of funds from planned or actual activities to another activity,
- ▶ any change in the size or scope of an activity by more than 25 percent, or
- ▶ any cancellation of an activity.

## FINANCIAL CONSIDERATIONS

The Consolidated Plan and Strategy provides a framework for allocation of Federal funding in the forthcoming Annual Plans, budgets and reports. There are no direct financial implications in this report.

## POLICY CONSIDERATIONS

The actions taken to prepare the Consolidated Plan meet and exceed HUD regulatory requirements and are consistent with Governing Board policies.

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## ENVIRONMENTAL REVIEW

Not applicable to administrative actions per CEQA Guidelines, Section 15378 (b)(3); and NEPA per 24 CFR Part 58.34(a)(3).

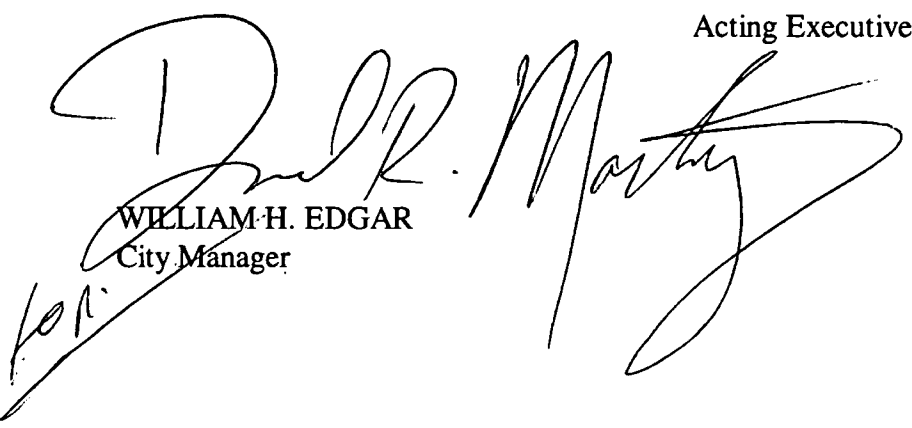
## M/WBE CONSIDERATION

The Agency M/WBE policy will apply to the Agency financed projects and programs included in the 1998-2002 Consolidated Plan.

Respectfully submitted by,



ANNE M. MOORE  
Acting Executive Director



for  
WILLIAM H. EDGAR  
City Manager

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APPROVED  
BY THE CITY COUNCIL

SEP 16 1997

OFFICE OF THE  
CITY CLERK

**RESOLUTION NO. 97-527**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**1998-2002 SACRAMENTO CITY CONSOLIDATED PLAN FOR  
THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
(HUD) FUNDED COMMUNITY DEVELOPMENT PROGRAMS**

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

Section 1. The Executive Director is authorized to submit the 1998-2002 City Consolidated Plan and Strategy, a copy of which is on file with the Agency Clerk, to the U.S. Department of Housing and Urban Development.

Section 2. The 1998-2002 Consolidated Plan is adopted as a policy to guide the investment of federal funds.

Section 3. The Consolidated Plan Citizen Participation Plan is amended.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_



#5.3



For Immediate Release  
Contact: Anne M. Moore  
440-1319

**SHRA Presents Five Year Plan to City and County**

(Sacramento, September 16, 1997) The Sacramento Housing and Redevelopment Agency (SHRA) today presents to the County Board of Supervisors and City Council a policy framework for using \$20 million of federal grant funds annually over the next five years.

The five year Consolidated Plan for Federal Housing and Community Development Programs describes the policy framework for use of four federally funded programs which benefit low income families and areas. The plan is required by the U.S. Department of Housing and Urban Development (HUD) and covers the period from 1998 to 2002.

The Consolidated Plan is being presented to the Sacramento County Board of Supervisors and the City Council on the heels of the City's announced intent to move the management of downtown redevelopment programs from the SHRA to the City. Since that announcement late last Spring, SHRA and City and County officials have been working together to develop a strategy for how the City and County and SHRA will collaborate to administer federal grants and meet local needs.

"Preparing the Plan is a necessary step in the grant application process," explains Anne Moore, SHRA Acting Executive Director. "And it came at a good time for us -- just as we began re-designing how SHRA does business in the Sacramento region. We were able to conduct the planning in a collaborative way that truly reflects the needs of the communities we serve."

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## SACRAMENTO HOUSING & REDEVELOPMENT AGENCY

The four major funding sources covered by the Consolidated Plan are:

- Community Development Block Grants (CDBG) - Annual HUD grant to benefit low income persons through housing improvements, public space improvements, public services, economic improvements and elimination of blighted buildings. These funds must be used to augment local funding. Estimated annual funding from the CDBG program is \$6.8 million to the the City CDBG and \$8 million to the County CDBG.
- Home Investment Partnerships Program (HOME) Funds - These funds allow for the preservation and expansion of affordable housing to very low income people. Private and non-profit developers apply for these funds for local projects. These funds are highly leveraged for preserving and expanding the affordable housing stock. They are almost exclusively used in public/private partnerships and a major tool for:
  - Dealing with problem multi-family housing;
  - Assisting first time homebuyers,
  - Preserving the housing stock through rehabilitation, and
  - Expansion of the affordable housing supply

Estimated annual funding from the HOME program is: \$2.7 million to the City and \$2.9 million to the County.

- Housing Opportunities for People with HIV/AIDS (HOPWA) - The HOPWA grant is an allocation of federal funds to meet the housing needs of persons with HIV/AIDS. In Sacramento the funds are administered by the Sacramento County Department of Human Assistance for a multi-county area that includes Sacramento, Yolo, Placer and El Dorado counties. Estimated annual HOPA funds to this region is \$613,000.

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- Emergency Shelter Grants (ESG) - This competitive HUD grant program provides funds to be used for improving existing emergency shelters and to make available new emergency shelters. The shelters must provide homeless persons social services such as job counseling and child care. Estimated annual funding from the ESG program is \$177,000 to the City ESG and \$210,000 to the County ESG.

“We expect to receive \$20 million annually in federal grant funds over the next five years to be used in the Sacramento region,” stated Anne Moore, Acting Executive Director of SHRA. “With this much money, we have the opportunity to make a substantive impact on the quality of life in the communities we serve. We are committed to making sure that each dollar spent is put to the best possible use.”

The five year Consolidated Plan is the result of a year’s preparation during which SHRA hosted 13 community workshops and conducted many individual interviews to receive comments from the public and civic leaders about how to prioritize needs and allocate funds. Through this process, SHRA learned that Sacramentans want a community development program which will make a meaningful economic change in their community, benefit the increasing youth population and involve neighborhoods and volunteers. A significant result of the outreach process was the indication that community leaders and neighborhood organizations want a serious role in identifying where grant money is put to use each year.

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The Plan identifies SHRA’s overall strategy for Community Development programing:

- Emphasize the expansion of eligible areas for CDBG funding so that the program can reach more people. A broader approach will allow clusters of low income neighborhoods to work together to strengthen their overall area

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- Emphasize economic development and job creation programs to support area and neighborhood development, replace job losses and support successful welfare reform efforts.
- Assist the City and County in providing and improving essential health and safety capital improvements by coordinating and prioritizing CDBG eligible capital improvements.
- Set aside funding for Neighborhood Enhancements ( such as paint and beautification programs, parks or community facilities) to stabilize CDBG eligible areas and allocate funds on a broader basis through the use of citizen committees.
- Establish a community application process for CDBG funded public services to allow for review of service priorities and to encourage coordination and collaboration of service providers.
- Emphasize programs which strengthen the future opportunities for the area's youth including job development, entrepreneur programs and collaboration with schools, and youth recreation and skill development.

“These initiatives represent a logical evolution from SHRA’s past practices,” states Moore. “Historically, CDBG program assisted a few well-defined targeted areas of greatest poverty. In reality, poverty and need is nearly everywhere. We are taking a new approach in viewing community problems as a whole rather than in a fragmented way.”

Moore points out that ongoing dialogue with community leaders and neighborhood representatives will help SHRA transition to this new approach.

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