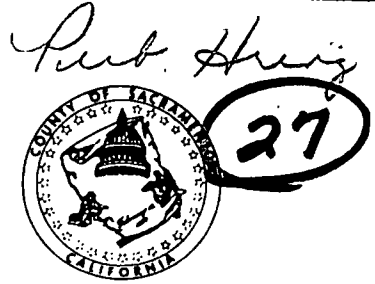




**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



November 21, 1989



APPROVED
BY THE CITY COUNCIL

NOV 21 1989

OFFICE OF THE
CITY CLERK

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

Honorable Members In Session:

SUBJECT: 1990 Community Development Block Grant (CDBG) Statement of Objectives/Proposed Use of Funds, Amendment to the CDBG Program, and Amended Citizen Participation Plan

SUMMARY

This report presents the City of Sacramento's 1990 Final Statement (Application) to the U.S. Department of Housing and Urban Development (HUD) for Community Development Block Grant (CDBG) funds. The attached resolutions (1) approve the attached 1990 Final Statement and carryover budget amendments including the cancellation of the 1989 Section 108 Loan (Exhibit A); (2) authorize the Executive Director to submit the application and execute the subsequent grant agreement; (3) authorize the Executive Director to amend the 1990 CDBG contingency fund in the event the final 1990 entitlement is greater or smaller than that estimated in the application; (4) authorize the Executive Director to execute contracts with the appropriate entities to carry out the projects contained within the 1990 Application; (5) authorize the Executive Director to execute contracts or memoranda of understanding when CDBG-funded agencies are awarded City General Funds; (6) adopt the amended Citizen Participation Plan shown as Exhibit B, and (7) find that the environmental documentation is adequate and complete, and that the Negative Declaration is appropriate.

BACKGROUND: Application

Each year the City of Sacramento submits an application to HUD in order to receive CDBG funds. This year the application is due at HUD by December 1, 1989, in order for the City to receive CDBG funds by January (or early February) of 1990.

11-21-89
All Districts

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The attached application has been developed in conformance (1) with the CDBG Three-Year Plan (1988-1990) which was approved by your Council in April 1987 and (2) with the 1990 Priority Statement approved in September of this year.

Both Houses of Congress have passed 1990 appropriation bills which include three (3) billion dollars for the CDBG Program nationwide. This allocation is equal to the CDBG appropriation for 1989. HUD has not yet calculated the impact of new entitlement jurisdictions on this overall amount or on individual grants. Therefore, staff has prepared the projected use of funds based on the 1989 grant amount of \$3,547,000. The attached resolutions authorize adjustments to the contingency fund should the final entitlement be greater or smaller than this estimate.

Staff has reviewed all proposed projects and finds them to be in accordance with HUD regulations regarding eligibility and program benefit to low- and moderate-income persons or neighborhoods. Public input from the Target Area Committees and interested citizens was obtained in the preparation of the City's Three-Year Community Development Plan and in preparation of the projects proposed herein. This application represents the third year's funding recommendations from that plan.

The major components of the application are as follows:

SECTION I - COMMUNITY DEVELOPMENT OBJECTIVES - This section lists the local goals and objectives of the City's CDBG Program. The major goals of the program are to improve the quality of the neighborhood environment in low-income target areas, provide housing assistance to low-income City residents, and create expanded economic opportunities for low-income persons within the City of Sacramento.

SECTION II - 1990 PROJECTED USE OF FUNDS - This section is actually a summary of the entire application in that it outlines the proposed use of 1990 CDBG funds.

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In addition to the 1990 entitlement funds, staff is recommending reprogramming of surplus unused funds from prior years (see Exhibit A). The addition of \$653,330 in surplus carryover funds plus an estimated \$250,000 of Housing Rehabilitation program income and \$48,400 of Economic Development program income will create a total projected budget of \$4,498,730.

The recommended programs and funding levels are categorized as follows: Capital Improvements, Housing Programs, Public Services, Economic Development, Administration, and Contingency. The Capital Improvement category is then broken out according to project by target area.

The recommended allocations are based on the priorities approved by the Council in September of this year and on the 1988-90 Three-Year Plan which recommended targeting CDBG capital improvement funds to East Del Paso Heights, Gardenland/Noralto, and Del Paso Heights and which also recommended funding guidelines for each category of activity. In the case of the Section 108 loan, the allocation represents committed loan repayments which may not be adjusted.

SECTION III - 1990 DESCRIPTION OF ACTIVITIES AND MAPS - A detailed description of each of the programs and projects listed in Section II is presented here along with maps showing project locations.

The Del Paso Heights allocation of \$200,000 will fund redevelopment administration (\$72,185) and street improvements on Altos Avenue (\$127,815). The CDBG administration funds will allow the tax increment funds which would have gone to administration to be set aside for the reserve fund for bonding.

NEIGHBORHOOD HOUSING SERVICES The staff report and resolution of July 1986 authorizing the Neighborhood Housing Services (NHS) Program approved funding for three years and recommended a ten-year projected funding scenario. It also stated that a program review would be completed at the end of the initial three-year period.

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The projected funding for 1990 listed in the initial report recommended a decrease of approximately 26 percent. Staff is recommending, however, to maintain CDBG funding at 1989 levels with the understanding that there will be no additional "special project" funds available during 1990 and that SHRA and NHS staff will research potential expansion of NHS's services to additional limited commercial revitalization in the Gardenland/Norralto NHS area. The rationale for this recommendation is based on the following:

- 1) NHS received a very positive evaluation during 1988/89 by Neighborhood Reinvestment Corporation;
- 2) A brief analysis and program review by SHRA staff indicated that, although housing rehabilitation production was still somewhat low, loan funds should be entirely expended by the end of the current year. Also, the overall accomplishments of NHS are extensive, including neighborhood clean-ups, organizing residents for improvement activities (i.e., Neighborhood Watch groups), volunteer projects, and special projects (i.e., the relocation of a home scheduled for demolition and the donation of a home by Winncrest Homes, both of which were sold to low-income, first-time homebuyers.)
- 3) Any "special projects" which NHS wishes to undertake during 1990 should be funded by private sources. Although additional funding for such special projects in 1989 was minimal, the administrative costs to implement such funding changes were not cost effective.
- 4) NHS has not been as successful in raising private funding as originally anticipated. Several factors, some out of the control of NHS, have contributed to this lack of success. NHS has, however, received a grant from Neighborhood Reinvestment Corporation for a part-time fundraiser. Also, although direct private funds have been difficult to raise, NHS has received hours of volunteer labor from many private corporations.

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NHS will prepare a long-range funding plan based on its current financial scenario. This plan along with continued program review will form the basis for recommending future funding levels; these will be included in the 1991-93 CDBG Plan to be developed for Council review next year.

BUILDING CODE INSPECTION: The Building Inspection funding level of \$80,000 will be maintained for the 1990 program year. The CDBG Program's Memorandum of Understanding (MOU) with the City will be modified in three areas to enhance program accountability and efficiency:

- 1) The City Inspection Program Manager will sign off on, and attach documentation corroborating billable hours to the billing invoice.
- 2) The City Inspector will observe scheduled office hours set by the Rehabilitation Program Manager to assist staff and program participants.
- 3) The City Inspection Program Manager and Rehabilitation Program Manager will hold quarterly meetings to maintain close program coordination.

CAPE COD VILLAGE HOME CONSTRUCTION: This project provides \$70,000 to assist Fruitridge Habitat, a neighborhood-based, nonprofit housing corporation, to construct six new affordable homes in the Cape Cod Village subdivision off of 24th Street, south of Florin Road. These funds will assist six low-income families to purchase the homes. This project is described in detail in Exhibit D.

PUBLIC SERVICES: Since the final evaluation of the CDBG-funded public service programs is currently being completed, no major funding or policy changes are being recommended now. A staff report and recommendations on the evaluation will be forthcoming. This section briefly summarizes the recommended funding level for each of the public service activities.

- 1) Workrecreation - The funding level recommended maintains funding at the 1990 level; no significant expenditure increases are anticipated.

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- 2) Shared Housing (SAIL) - The funding level recommended maintains funding at the 1990 level. Initially, this program was to become self-sufficient; however, because amounts anticipated from other funding sources have not reached projections and because some of these sources require matching funds, the need for CDBG funding continues. The program also receives allocations from Area 4 Agency on Aging, the State Housing and Community Development Department, and local tax funds (Payment in Lieu of Taxes).
- 3) Housing Outreach Maintenance Education - An approximate five (5) percent cost of living increase is recommended for this program operated by Lutheran Social Services (LSS). This increase was based on the cost of living increase granted by County Social Services to community-based organizations which they fund. CDBG is the primary source of funding for this program which provides 1) home maintenance education for Indo-Chinese refugees and other disadvantaged groups, and 2) a support component for the Homeless Transitional Housing Program.
- 4) Homeless Program for the Mentally Ill - A five (5) percent cost of living increase is recommended for this program based on the County Social Service's recommendations for increases to its community-based organizations. The program is operated by Transitional Living and Community Support (TLCS).
- 5) Human Rights/Fair Housing Commission (HR/FHC) - Although this program is not categorized as a public service but is part of administration, the funding level recommended increases funding by five (5) percent. CDBG is the major source of funds for the HR/FHC. This year the HR/FHC obtained \$70,000 in City and County general funds. This funding is more appropriate for human rights activities for which SHRA staff has urged the Commission to seek additional funding. It is especially appropriate that these funds are coming from the City and County, since the Commission is a joint powers agency and responds to City and County requests for human rights related activities.

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- (6) Job Bank - \$10,000 of economic development funds are recommended to support the Job Bank, which, according to federal regulations, must be categorized as a public service. This proposal represents an expansion of the City's policy on funding public services with CDBG.

Current policy limits funding to activities providing employment/job training services for low-income target area youth or housing related services. Staff recommends expanding the policy on providing employment services to cover adults as well as youth.

BACKGROUND: Amendment to Citizen Participation Plan

Upon input from the Department of Housing and Urban Development, the Citizen Participation Plan has been amended to more accurately reflect how citizens can participate in the CDBG Program. (See Section V of Exhibit B for the amended language.)

BACKGROUND: Cancellation of the 1989 Section 108 Loan (\$400,000)

In early 1989 application for a Section 108 Loan was approved to purchase a public housing "landbank" site on Cotton Lane. However, the Cotton Lane property was purchased with downtown tax increment funds; therefore, the Section 108 loan was not needed for this project.

FINANCIAL DATA

The attached application conforms to staff's best estimate of 1990 CDBG revenues. It includes surplus funds reprogrammed from completed projects to new projects. Staff estimates the 1990 CDBG entitlement will be approximately \$3,547,000.

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ENVIRONMENTAL REVIEW

All projects have been submitted for review under the requirements of the National Environmental Protection Act (NEPA). Per HUD regulations, no funds will be expended prior to NEPA clearance.

The 1990 CDBG Program application has been reviewed to ensure compliance with the California Environmental Quality Act (CEQA). The results of a project by project review for CEQA and NEPA requirements are identified in the attached Initial Study (Exhibit C).

MBE/WBE REQUIREMENTS

The Agency's Minority and Women's Business Enterprise (WBE/MBE) Program goals will be applied to all applicable projects included in this Final Statement.

POLICY IMPLICATION

The attached application is developed in accordance with the Federal CDBG regulations regarding primary benefit to low-income persons and neighborhoods. This application follows adopted policy by addressing the CDBG Three-Year Plan (1988-1990) goals of providing decent housing and improving the living environment of the low-income target areas within the City.

This report recommends expanding the City's policy on funding public services with CDBG to include provision of employment services to low-income target area adults as well as youth.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of November 13, 1989, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Amundson, Moose, Pernell, Sheldon, Simon, Simpson,
Strong, Wiggins, Wooley, Yew

NOES: None

ABSENT: None


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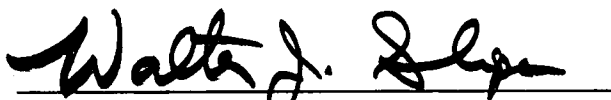
RECOMMENDATION

The staff recommends adoption of the attached resolutions which (1) approve the attached 1990 Final Statement and carryover budget amendments including cancellation of the 1989 Section 108 Loan (Exhibit A); (2) authorize the Executive Director to submit the application and execute the subsequent grant agreement; (3) authorize the Executive Director to amend the 1990 CDBG contingency fund in the event the final 1990 entitlement is greater or smaller than that estimated in the Final Statement, (4) authorize the Executive Director to execute contracts with the appropriate entities to carry out the projects contained within the 1990 Final Statement; (5) authorize the Executive Director to execute contracts and memoranda of understanding when CDBG-funded agencies are awarded City General Funds; (6) adopt the amended Citizen Participation Plan shown as Exhibit B; and (7) find that the environmental documentation is adequate and complete, and that the Negative Declaration is appropriate.

Respectfully submitted,


for ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL:


WALTER J. SLIVE
City Manager

Contact Person: Maxine Cornwell 440-1322
3026k

RESOLUTION NO. 89-090



ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF

ON DATE OF _____

**SUBMITTAL OF 1990
COMMUNITY DEVELOPMENT BLOCK GRANT
STATEMENT OF OBJECTIVES AND PROJECTED USE OF FUNDS**

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

Section 1: The environmental documentation is adequate and complete, and the Negative Declaration is appropriate and hereby approved.

Section 2: The Executive Director of the Redevelopment Agency of the City of Sacramento Redevelopment Agency of the City of Sacramento is authorized to submit to the United States Department of Housing and Urban Development the final 1990 Community Development Block Grant Statement of Objectives and Projected Use of Funds ("Application") as hereby approved.

Section 3: The Executive Director of the Redevelopment Agency of the City of Sacramento is authorized to execute and submit all certifications necessary to receive Community Development Block Grant funds and to execute the subsequent grant agreement related to the Application.

Section 4: The 1990 Agency budget shall be amended to reflect receipt of such Community Development Block Grant funds in the amount and for purposes designated in the approved Application.

Section 5: The Executive Director of the Redevelopment Agency of the City of Sacramento is hereby authorized to amend the 1990 Community Development Block Grant Contingency to the extent that such funds received are greater or smaller than estimated in the Application's projected use of funds.

Section 6: The Executive Director of the Redevelopment Agency of the City of Sacramento is hereby authorized to enter into contracts with those subrecipients who will complete the projects and programs listed in the approved Application.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 7: The Executive Director of the Redevelopment Agency of the City of Sacramento is hereby authorized to amend the Community Development Block Grant Program budgets in accordance with Exhibit "A" attached hereto.

Section 8: The Executive Director of the Redevelopment Agency of the City of Sacramento is hereby authorized to execute necessary contracts and Memoranda of Understanding when Community Development Block Grant-funded agencies are awarded City General Funds.

Section 9: The 1989 Section 108 Loan is hereby cancelled.

Section 10: The Amended Citizen Participation Plan is hereby adopted.

CHAIR

ATTEST:

SECRETARY

1100WPP2(476)

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 89-895

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL

NOV 21 1989

OFFICE OF THE
CITY CLERK

SUBMITTAL OF 1990
COMMUNITY DEVELOPMENT BLOCK GRANT
STATEMENT OF OBJECTIVES AND PROJECTED USE OF FUNDS
AND APPROVAL OF NEGATIVE DECLARATION

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

Section 1: The environmental documentation is adequate and complete, and the Negative Declaration is appropriate and hereby approved.

Section 2: The Executive Director of the Redevelopment Agency of the City of Sacramento Redevelopment Agency of the City of Sacramento is authorized to submit to the United States Department of Housing and Urban Development the final 1990 Community Development Block Grant Statement of Objectives and Projected Use of Funds ("Application") as hereby approved.

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Section 6: The Executive Director of the Redevelopment Agency of the City of Sacramento is hereby authorized to enter into contracts with those subrecipients who will complete the projects and programs listed in the approved Application.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 7: The Executive Director of the Redevelopment Agency of the City of Sacramento is hereby authorized to amend the Community Development Block Grant Program budgets in accordance with Exhibit "A" attached hereto.

Section 8: The Executive Director of the Redevelopment Agency of the City of Sacramento is hereby authorized to execute necessary contracts and Memoranda of Understanding when Community Development Block Grant-funded agencies are awarded City General Funds.

MAYOR

ATTEST:

CITY CLERK

1100WPP2(476)

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

CHART A - RECOMMENDED REPROGRAMMING ACTIONS
CITY OF SACRAMENTO
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

YEAR COST CENTER	PROJECT	CURRENT ALLOCATION	RECOMMENDED ALLOCATION	NET CHANGE TO CONTINGENCY	COMMENTS
KO4286	Beginning Contingency Balance:			\$178,058.37	
1988 KO4261	Workreation	\$132,000.00	\$ 69,470.66	+ 62,529.34	Project complete; surplus funds.
1987 JO4706	12th Street Section 108 Repayment	240,796.17	30,931.17	+209,865.00	Project complete; surplus funds.
1988	Rebate from City	-----	-----	+127,413.86	City returned funds overclaimed.
1988	RCHC Loan Repayment	-----	-----	+ 37,779.40	Repayment of loan from RCHC Strawberry Manor Houses.
1988 KO4200	CDBG Administration	258,617.00	243,386.40	+ 15,230.60	Program complete; surplus funds.
1988 KO4201	MBE/WBE Administration	57,466.00	35,012.98	+ 22,453.02	Program complete; surplus funds.
1990	1990 Projected Use of Funds	-0-	653,329.59	-653,329.59	Transfer surplus funds to finance 1990 contin- gency and capital im- provements in East Del Paso Heights, Del Paso Heights and Gardenland/ Noralto.
Ending Contingency Balance:				\$ -0-	

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CITY AND COUNTY OF SACRAMENTO

CITIZEN PARTICIPATION PLAN
(1988-1990)

I. INTRODUCTION

The Housing and Community Development Act of 1987 requires the City and County of Sacramento, as Community Development Block Grant (CDBG) Program Grantees, to follow a citizen participation plan which addresses several key elements (see "Objectives" section below).

Citizen participation has been an integral part of both the City and County CDBG Program; Target Area Committees (TACs) have been in place in the County since 1978 and in the City since 1982. The TACs represent the actual neighborhoods where CDBG funds are targeted and are an important part of program development, implementation, and evaluation. Regardless of modifications made in federal regulations regarding citizen participation in the CDBG Program, Sacramento has remained committed to this process.

This plan seeks to encourage and foster the citizen participation component of the CDBG Program. It identifies strategies to obtain participation from those persons directly affected by the CDBG Program, to provide accurate information and timely notification of CDBG activities, to provide education and assistance to citizens to access the program, to involve citizens during all stages of the process, and to respond to specific complaints and needs of citizens.

II. OBJECTIVES

This plan addresses the following objectives as defined by the 1974 Housing and Community Development Act as amended. The Citizen Participation Plan must:

1. Provide for and encourage citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which section 106 funds are proposed to be used, and in the case of a grantee described in section 106(a), provides for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction;

2. Provide citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by regulations of the Secretary, and relating to the actual use of funds under this title;
3. Provide for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals;
4. Provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
5. Provide for a timely written answer to written complaints and grievances, within 15 working days where practicable; and
6. Identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

III. CITIZEN PARTICIPATION STRUCTURE

The general structure of the CDBG citizen review component is three-tiered: Target Area Committees, the Sacramento Housing and Redevelopment Commission, and the Board of Supervisors/City Council. Target area project ideas occur at the Target Area Committee or grass roots level. These ideas are then recommended to the Sacramento Housing and Redevelopment Commission, a countywide and citywide committee which reviews all housing and redevelopment activities. The recommendations then proceed to the Board of Supervisors or City Council for final review/approval.

The Target Area Committees (TACs) are made up of residents and business owners of CDBG target areas. As appointments are made to these Committees, every effort is made to ensure geographic representation throughout the target area where CDBG-funded activities are proposed. The TACs are ongoing committees meeting throughout the CDBG cycle to recommend proposals for funding, obtain neighborhood input, and monitor progress and performance projects. They also help develop long range plans for their respective areas which ultimately become part of the city and county community development plans.

TAC membership is widely solicited throughout the target areas. Initially, extensive outreach was made to obtain membership, and, as vacancies occur, outreach activities are used to recruit new members. Such activities include distribution of flyers throughout the community and notification to neighborhood newspapers.

When time permits, notification of vacancies is mailed to all target area residents or an announcement is included in the yearly CDBG newsletter which is distributed to all target area residents. Every effort is made to ensure that TAC members represent all segments of the community particularly low and moderate income persons, minorities, and residents of sections of the target area where CDBG activities are planned. All appointments to the TACs are made by the Board of Supervisors or the City Council.

The Sacramento Housing and Redevelopment Commission (SHRC) reviews all neighborhood projects recommended by the TACs as well as those programs which are "countywide" or "citywide" such as housing rehabilitation and economic development. The TACs make suggestions on countywide or citywide programs, but overall funding allocations and final policy recommendations must be made at the Commission level because of the "areawide" nature of these programs. The TACs are invited to attend Commission meetings and personally present TAC recommendations.

All recommendations made by the TACs and the Commission are then forwarded to the Board of Supervisors or the City Council.

IV. PUBLIC MEETING/HEARING PROCESS

All meetings/hearings at the TAC, SHRC, Board of Supervisors and City Council levels are open to the public. Notice of all meetings is made in accordance with the Brown Act and its amendments and, therefore, provides adequate notice time and thorough information regarding subject matter of meetings.

A. TAC Process

In addition to the public posting of TAC meeting agendas in accordance with the Brown Act (72 hours prior to meeting), agendas along with minutes of the prior meeting are sent to TAC members approximately five to seven days before the meeting date. A list of interested citizens is also maintained for each target area, and meeting agendas are mailed to these persons. Efforts are made to maintain neighborhood newspaper contacts on the interested citizen list so notification of meetings may be included in such papers.

Annual hearings to obtain input and propose projects for the CDBG Application are noticed in the yearly newsletter sent to all target area residents. Topics covered in the newsletter generally include information on CDBG-funded activities, explanation of the role of the TACs, discussion of the hearing process and potential projects the TAC may be proposing for funding, and invitation for input from the community.

B. SHRC and Board of Supervisor/City Council Process

Hearings on the annual Projected Use of Funds and amendments to be held before the SHRC, Board, and Council are publicly noticed, and agendas are publicly posted. Public notice is published in a paper of general circulation at least one week prior to the hearing.

TAC meetings are held in the community during evening hours. SHRC meetings are held at the Sacramento Housing and Redevelopment Agency office on the first and third Monday evenings of the month. City Council meetings are held at City Hall every Tuesday evening, and Board of Supervisors meetings are held every Tuesday and Thursday (CDBG activities are generally heard by the Board on Tuesday morning). All meeting locations are handicapped accessible.

V. INFORMATION TO CITIZENS

The following information will be provided to citizens:

A. Annual Statement of Community Development Objectives and Proposed Use of Funds

Citizens will be furnished information prior to compiling a final annual statement concerning the amount of CDBG funds expected to be available (including program income); the range of activities that may be undertaken with CDBG funds; the estimated amount of funds proposed for activities benefitting low and moderate income persons; proposed CDBG activities likely to result in displacement; plans for minimizing such displacement; and types and levels of assistance to be made available to persons displaced by CDBG funded activities. This information and the proposed statement of community development objectives and proposed use of funds will be published communitywide. Opportunity will be given for examination and comment on such information. All comments will be considered prior to completing the final statement.

The final statement of community development objectives and projected use of funds will be made available to the public in each of the public libraries in the City and County of Sacramento.

B. Grantee Performance Report

At the end of each year, a performance report is completed on the program activities for that year. A public notice is published informing citizens of the availability of such report prior to review and approval by the governing boards. All comments received are considered prior to submission to HUD.

VI. PRESENTATION OF VIEWS AND PROPOSALS/TECHNICAL ASSISTANCE

Citizens are welcomed and encouraged to present their views and proposals regarding the CDBG Program. Proposals and comments on capital improvement activities should be addressed to the TAC of the area where the activity is being proposed. Countywide or citywide proposals should be addressed to the SHRC.

Proposals may be made verbally or in writing at public meetings or directly to CDBG staff.

Extensive technical assistance is provided to all TACs. CDBG staff provides knowledge and advice to the Committees but does not direct their efforts nor dictate their action. Technical assistance to the TACs often involves helping them identify needs, develop activities and/or strategies to meet those needs, assess priorities, address neighborhood needs not specifically related to CDBG (self-help assistance), and understand the overall process.

Technical assistance will also be provided to groups representing low and moderate income persons who request such assistance to develop proposals. Assistance will be given based on staff time available but at a minimum will include an explanation of the CDBG process.

Staff is always available to answer both individual and group concerns or questions regarding the CDBG Program and the process for developing proposals, and to make referrals for other types of information.

VII. CONSIDERATION OF COMPLAINTS/OBJECTIONS

Citizens may formally object to decisions or recommendations made regarding CDBG activities.

Written complaints and grievances will be responded to within fifteen (15) working days where practicable.

VIII. ASSISTANCE TO NON-ENGLISH SPEAKING AND HEARING IMPAIRED PERSONS

If a significant number of non-English speaking or hearing-impaired residents is expected to participate in a public hearing being held on CDBG activities, staff will retain appropriate assistance to allow such residents to participate. Assistance will generally consist of obtaining appropriate interpreter services. The CDBG program has various resources available in such circumstances including Lutheran Social Services (Southeast Asian interpretation), SHRA staff (Spanish interpretation), and Norcal Center on Deafness (signing).

Attempts will be made to retain assistance for anyone needing such services; however, such assistance will be considered mandatory only in instances where a "significant number" of residents are expected to participate. ("Significant number" will be a common sense judgement, but particular attention will be paid in instances where residents are likely to be affected by CDBG activities.)

IX. AGREEMENT CITIES

The mechanism for citizen participation in the Agreement Cities of Folsom, Isleton and Galt is the City Councils in each of the jurisdictions. Public hearings are held before the Councils during the CDBG Application process to obtain input on potential projects. Review of activities and program performance is also accomplished through the City Councils.

CDBG staff provides technical assistance to the Agreement Cities and is available to assist concerned groups or citizens with developing proposals or gaining knowledge of the CDBG Program. CDBG staff will also respond as stated in Section VII to formal complaints or objections from citizens of the Agreement Cities.

NEGATIVE DECLARATION

Pursuant to Division 6, Title 14, Chapter 3, Article 6, Sections 15070 and 15071 of the California Administrative Code and pursuant to the Procedures for Preparation and Processing of Environmental Documents adopted by The Sacramento Housing and Redevelopment Agency pursuant to Resolution No. RA 83-022, the Environmental Coordinator of The Sacramento Housing and Redevelopment Agency of Sacramento County, State of California, does prepare, make, declare, publish, and cause to be filed with the County Clerk of Sacramento County, State of California, this Negative Declaration re: The Project described as follows:

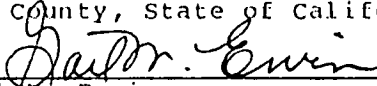
1. Title and Short Description of Project:
SACRAMENTO COUNTY AND CITY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM - 1990 PROGRAM YEAR

Project consists of the approval of the City and County's application for 1990 Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development.

2. Location of Project and Assessor's Parcel Number: The project consists of numerous small projects to be implemented throughout the City and County of Sacramento.
3. Project Proponent: Sacramento Housing and Redevelopment Agency
4. Said project will not have a significant effect on the environment for the following reasons:
 - a) It will not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory.
 - b) It will not have the potential to achieve short-term, to the disadvantage of long-term, environmental goals.
 - c) It will not have impacts which are individually limited, but cumulatively considerable.
 - d) It will not have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.
5. As a result thereof, the preparation of an environmental impact report pursuant to the Environmental Quality Act (Division 13 of the Public Resources Code of the State of California) is not required.
6. This Initial Study has been performed by the Sacramento Housing and Redevelopment Agency in support of this Negative Declaration. Further information may be obtained by contacting the Agency at 630 "I" Street, Sacramento, California, 95814, or by phone at (916) 440-1325.

Environmental Coordinator of Sacramento
Housing and Redevelopment Agency
Sacramento County, State of California

By


Gail M. Ervin
Environmental Coordinator

(21)

INITIAL STUDY

CONTROL #: 100-CDBG-90

NAME: SACRAMENTO COUNTY AND CITY COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM - 1990 PROGRAM YEAR

LOCATION: City/County wide.

ASSESSOR'S PARCEL NUMBER: N/A

APPLICANT:

Sacramento Housing and Redevelopment Agency
630 "I" Street
Sacramento, CA 95814

I. PROJECT DESCRIPTION:

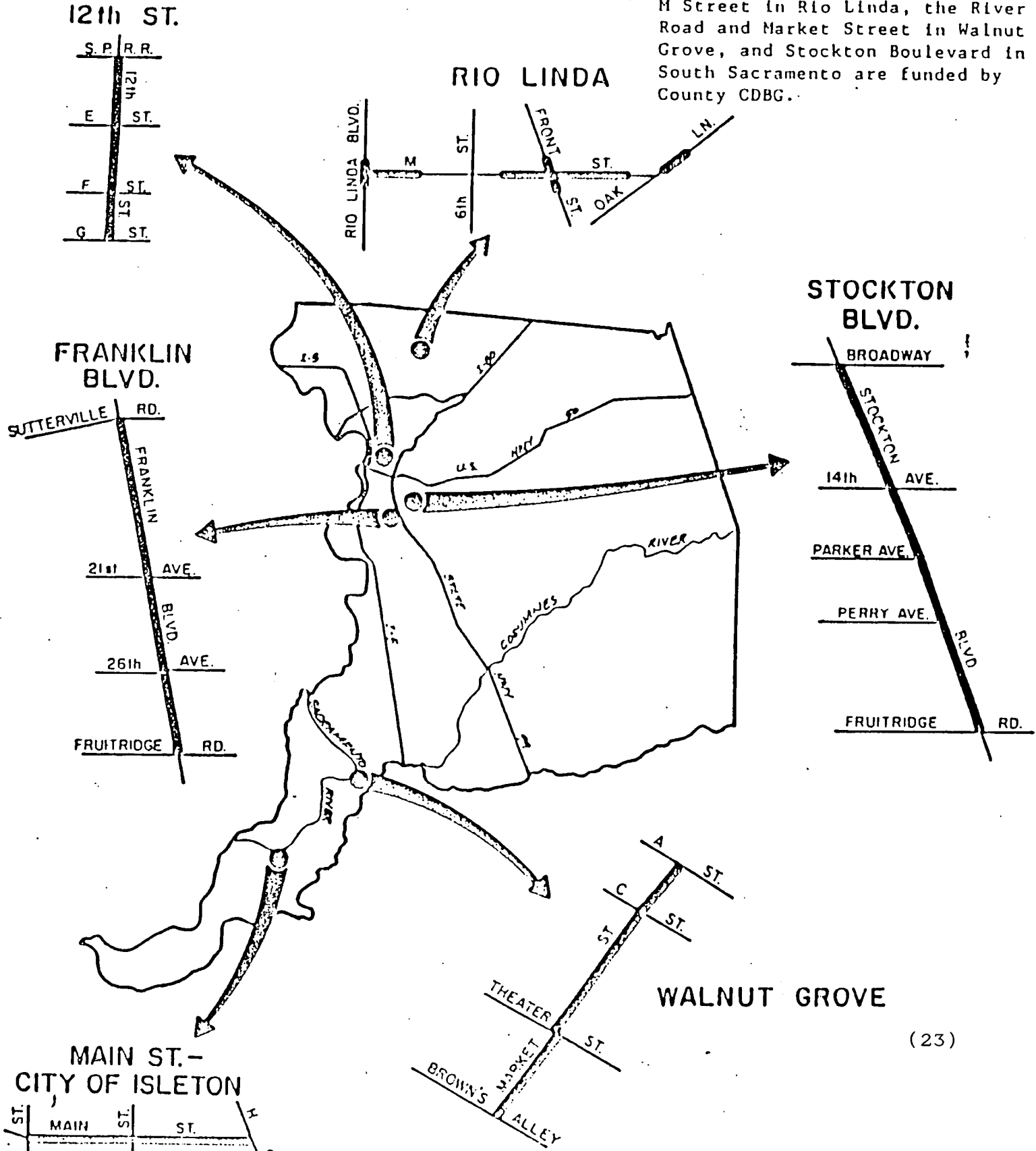
The proposed project consists of the approval of the City and County's submittal for receipt of 1990 Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development. The 1990 Program Year has been developed in accordance with federal regulations of September 6, 1988, at 24 CFR Part 570 which incorporate changes to Title I of the Housing and Community Development Act of 1974 contained in the Housing and Urban-Rural Recovery Act of 1983 and the Housing and Community Development Act of 1987. Pursuant to those regulations, the application for funding contains the following information:

Section I	:	Community Development Objectives
Section II	:	1990 Projected Use of Funds
Section III	:	1990 Description of Activities and Maps
Section IV	:	1990 Local Approval Resolutions and Certifications

For the 1990 calendar year, the City of Sacramento expects to receive \$3,547,000, and the County of Sacramento expects to receive \$4,468,000 in CDBG funds from HUD. An additional \$653,330 and \$286,497 are available, respectively, from prior year CDBG budgets for use in the 1990 year. A minimum of 60% of these funds, or at least \$2,699,238 and \$2,852,698, respectively, will be committed to projects which benefit lower-income persons. Funds will predominately be used in the seven CDBG target areas shown on the attached maps.

COMMUNITY DEVELOPMENT BLOCK GRANT COMMERCIAL REVITALIZATION AREAS

Note: Main Street in Isleton, M Street in Rio Linda, the River Road and Market Street in Walnut Grove, and Stockton Boulevard in South Sacramento are funded by County CDBG.



The goals and objectives of the CDBG Program are as follows:

PROGRAM GOALS:

1. Improve the quality of the neighborhood environment in the low-income target areas selected under the program.
2. Provide housing assistance to low-income residents of the County and City.
3. Create expanded economic opportunities for low-income County/City residents.

PROGRAM OBJECTIVES:

1. Remove or correct significant infrastructure deficiencies in the target areas.
2. Provide housing repair and rehabilitation assistance County/City-wide to low-income homeowners.
3. Promote the development of housing opportunities for low-income persons County/City-wide.
4. Create the opportunity for citizens to actively participate in development, implementation, and evaluation of the program.
5. Provide for expanded employment opportunities by promoting access to program contracts for small and minority and women-owned businesses and by creating new jobs through economic development.
6. Provide for expanded recreational opportunities for low-income target area residents.
7. Improve the visual environment of the target neighborhoods through beautification, selective code enforcement, and business area revitalization efforts.
8. Support limited public service programs which directly enhance the above objectives.
9. Facilitate home improvements and barrier removal for the handicapped County/City-wide.
10. Provide assistance to those facilities which directly serve low-income target area residents.
11. Revitalize housing in target areas through expanded rehabilitation programs designed to encourage reinvestment and upgrading of selected depressed areas.
12. Correct health and safety deficiencies for low-income target areas.

II. ENVIRONMENTAL SETTING

If the 1990 CDBG Program Year application is approved, it would provide assistance to low income persons, households, neighborhoods and businesses throughout the City and County of Sacramento.

III. ENVIRONMENTAL EFFECTS

See Initial Study Checklist attached to the Negative Declaration and the following discussion:

The approval of the 1990 CDBG Program includes the continuation of several ongoing programs and projects, as well as a few new projects. The continuing projects which have been previously reviewed and approved are identified with their prior environmental determinations as follows:

<u>Project</u>	<u>CEQA</u>	<u>NEPA</u>
Housing Rehab Program	Exempt 15301(d)	Continuation FONSI from 1983
Emergency Repair Grants	Exempt 15301(d)	Continuation FONSI from 1983
Relocation Loans and Administration	Not A Project 15378(b)(3)	Continuation From 1984
Building Code Inspection	Exempt 15309 Class 9	Continuation From 1983
Nuisance Abatement	Exempt 15308	Continuation From 1983
Section 108 Loans Repayments	Not A Project 15378(b)(3)	Continuation From 1983
Neighborhood Housing Services	Exempt-Gen Rule Sec 15061(b)(3)	Continuation From 1987
Human Rights Fair Housing	Exempt-Gen Rule Sec 15061(b)(3)	Continuation From 1980
Housing Outreach Maint. Program	Exempt-Gen Rule Sec 15061(b)(3)	Continuation From 1983
So. Area Emergency Housing Admin.	Not A Project 15378(b)(3)	Continuation FONSI From 1983

<u>Project</u>	<u>CEQA</u>	<u>NEPA</u>
WEAVE Administration	Not A Project Sec 15378(b)(3)	Continuation From 1983
Community Info Center Program	Not a Project Sec. 15378(b)(3)	Continuation From 1985
Community Develop Block Grant Admin	Not A Project Sec 15378(b)(3)	Continuation From 1982
Shared Housing (S.A.I.L.) Program	Not a Project Sec. 15378(b)(3)	Continuation From 1982
Homeless Program For Mentally Ill	City Neg Dec County Exemption	Continuation From 1985
*12th Street C.S.T.A.	Cat Exempt Section 15301, Class 1	Continuation From 1985
*Franklin Blvd. C.S.T.A.	Cat Exempt Section 15301, Class 1	Continuation From 1984
*Stockton Blvd. C.S.T.A.	Cat Exempt Section 15301, Class 1	Continuation From 1984
E. Del Paso Heights Street Improvements: 4C	Prior Neg. Dec. 88-SHE-1345	Continuation From 1989
Gardenland/Noralto Park Improvements	Exempt Sec. 15301 Class 1(d) & (e)	Continuation From 1989
*Walnut Grove C.S.T.A..(Market St.)	Exempt Section 15301, Class 1	Continuation From 1988
*Rio Linda (M Street) C.S.T.A.	Exempt Section 15301, Class 1	Continuation From 1988
*Isleton (Main Street) C.S.T.A.	Exempt Section 15301, Class 1	Continuation From 1988
*Stockton Blvd. C.S.T.A.	Exempt Section 15301, Class 1	Continuation From 1984
Isleton Community Center, Construction	Prior Neg. Dec. 88-SHE-1247	Continuation FONSI 1989
Courtland/Walnut Grove Fire Truck Acquisition	Gen Rule Section 15061(b)(3)	Continuation From 1987

*Section 106 Review on Each Facade and Roof Repair Grant

<u>Project</u>	<u>CEQA</u>	<u>NEPA</u>
Delta Section 108 Loan Repayment	Not a Project Sec. 15378(b)(3)	Continuation From 1983
South Sacramento Street Improvements	1987 Neg. Dec 87-SHA-1484	Continuation From 1987

The following projects are new this year, but are individually exempt from further environmental review as follows:

So. Parker Homes Street Lighting Design/Constr'n	Exempt 15303(e)	Cat Exclusion 58.34(a)(1)(iii)
Del Paso Heights Administration	Not a Project Sec. 15378(b)(3)	Exempt 58.34(a)(2)
E. Del Paso Heights Street Improvements: 6A (Design only)	Exempt 15262	Exempt 58.34(a)(6)
Job Bank	Not a Project Sec. 15378(b)(3)	Exempt 58.34(a)(9)(ii)
Rio Linda Exercise Trail	Exempt Section 15303, Class 3(e)	Cat. Excluded 58.35(a)(1)(iii)
Courtland Water System Improvements	Exempt 15301(b)	Cat. Excluded 58.35(a)(1)(ii)
Courtland Street Improvements - design	Exempt 15262	Exempt 58.34(a)(6)
Hood Street Improvements - design	Exempt 15262	Exempt 58.34(a)(6)
*Folsom Rental Rehab Program	Exempt 15301 Class 1	Cat Excluded 58.35(a)(4)(i)
Galt Town Square Project	Exempt 15304	Cat Excluded 58.35(a)(1)(ii)
Rio Linda-Elverta Fire District - Air Unit	Not a Project 15378(b)(3)	Exempt 58.34(a)(9)

The following projects are not exempt from CEQA and NEPA review, and will require further environmental assessment when specific information is available for review:

Del Paso Heights: Altos Ave. Improvements	Initial Study prior to approval	Cat. Exclusion 58.34(a)(1)(iii)
Cape Cod Village Home Construction	Prior Neg Dec July, 1979	Environmental Assessment required

Adoption of the application itself is not expected to result in physical changes to the environment. However, implementation of the individual projects outlined in the document may result in physical changes. The opportunity for further environmental review, focusing on specific potential environmental impacts on a case-by-case basis, will present itself as specific plans are processed through the city and county approval process. Approval of the application for HUD funds does not commit the city or county to individual actions listed in the Program.

IV. ENVIRONMENTAL MITIGATION MEASURES:

A) None proposed at this time. Mitigation measures will be developed on a site specific, case-by-case basis as projects are designed, prior to any approvals by the City Council or Board of Supervisors.

V. This Initial Study has been prepared by Gail M. Ervin, Environmental Coordinator for the Sacramento Housing and Redevelopment Agency.

INITIAL STUDY CHECKLIST

CONTROL NO. 100-CDBG-90

Could/Would the project:	YES	MAYBE	NO
1) significantly affect Regional air quality?			X
2) significantly affect local air quality?			X
3) contribute to the removal of significant amount of prime agricultural land from agricultural production?			X
4) create the potential for property damage following completion of the project due to existing or altered soil and/or slope conditions?			X
5) be adversely affected by other geologic or seismic hazards?			X
6) cause erosion or siltation resulting in severe water quality impacts or damage to adjacent properties?			X
7) have substantial effect on the supply or consumption of a mineral resource?			X
8) significantly affect ground or surface water supply or quality?			X
9) substantial affect, or be affected by flooding?			X
10) adversely affect populations of unique, rare or endangered plants or animals, or their habitat?			X
11) significantly affect resident or migratory wildlife or their habitat?			X
12) affect or result in the removal of critical habitat, such as riparian and wetland plant associations?			X
13) affect or result in the removal of prominent, heritage, or landmark trees, or otherwise aesthetically important plant forms?			X
14) affect sites of archaeological or historical importance?			X

	YES	MAYBE	NO
15) be in conflict with adopted General, Community, or specific plans of Sacramento County?			X
16) conflict with adopted plans of agencies or jurisdictions other than Sacramento County?			X
17) require major modification of, or adversely affect, public facilities?			X
18) have a substantial affect upon transportation facilities?			X
19) have a substantial affect on energy demands?			X
20) substantially affect the quantity of open space in an area, or severely and adversely change the visual character of the project site?			X
21) generate average or peak noise levels that would seriously affect the health or general well-being of any nearby people?			X
22) expose future residents or site users to existing or future noise levels that could seriously affect their health or general well-being?			X
23) cause significant shifts in employment or income characteristics of the community?			X
24) have a substantial and demonstrable negative aesthetic affect?			X
25) breach published national, state, or local standards relating to solid waste or litter control?			X
26) induce substantial growth or concentration of population?			X
27) displace a large number of people, or disrupt or divide an established community?			X
28) involve a risk of an explosion or the release of hazardous substances in the event of an accident or upset conditions?			X
29) involve possible interference with an emergency response plan or an emergency evacuation plan?			X
30) result in creation of any health hazard or potential health hazard, or expose people to potential health hazards?			X

CAPE COD VILLAGE HOME CONSTRUCTION

SUMMARY

This project provides funding to Fruitridge Habitat, a neighborhood-based, non-profit housing corporation, to construct six (6) new affordable homes in the Cape Cod Village subdivision off of 24th Street, South of Florin Road. These funds will roll over into deferred loans to assist six (6) low-income families to purchase these homes.

BACKGROUND

Fruitridge Habitat is a non-profit corporation organized for the purpose of developing housing which will be affordable to low income households. Since its incorporation in 1984, the corporation has developed the following three (3) home ownership projects with a total of 51 units:

Camellia Acres - This project, completed in 1985, consisted of ten (10) single-family homes in the Woodbine area of South Sacramento. The project utilized the State Farmworker Grant program to assist low income persons in agriculturally related industries to achieve home ownership. These three-bedroom, two-bath homes sold for \$55,000. The State Farmworker Grant to the buyers was up to \$15,000, depending on income.

Carnation Villa - This project consists of nine (9) single-family manufactured homes in Woodbine. These homes sold for \$65,000 in 1987. Qualified low-income families were assisted through the CHAP (California Homeownership Assistance Program) which provided equity participation loans. The Agency assisted in obtaining the State award and subsequently loaned Fruitridge Habitat \$40,000 to complete the project.

Cape Cod Village - This current project is a 32-unit complex off of 24th Street, South of Florin Road (map shown as Attachment 1). This project also uses the State Farmworker Housing program to make the homes more affordable to low-income families. The three- and four-bedroom, two-bath homes sell for between \$55,000 and \$70,000. To date, nineteen (19) homes have been completed and sold. Another four (4) have been sold and are under construction. Three (3) others are sold and are ready to go. Six (6) halfplex lots remain.

The program is for first-time home buyers who are in agriculturally related industries. Incomes must be below 80% of median. Incomes actually have been as low as \$15,000. Cape Cod Village, therefore, is one of the most affordable home ownership projects in the County or City.

For the Cape Cod Village Project, Fruitridge Habitat obtained a predevelopment loan from the State Department of Housing and Community Development. Construction financing is through Farmers

and Merchants Bank. Permanent financing for the home buyers will be through the California Housing Finance Agency (CHFA) at an interest rate of 7-1/2%. The State Farmworker Housing Grant may be up to \$15,000 per eligible applicant. The homeowner is required to make a minimum downpayment of 3%.

The problem currently confronting Fruitridge Habitat is that the costs to complete and close the remaining six homes is expected to be approximately \$65,000 each. The current appraisal, based on approved plans, is only \$55,000. By the time the homes are completed and escrows are closed, the gap is expected to be \$10,000 to \$12,000 per unit. Attachment 2 depicts the projected closing cost statement. This disparity resulted from a combination of factors including: 1) low initial prices set in 1987; 2) an overly optimistic view of how long it would take to market the units, qualify prospective buyers, and complete the units; 3) rapid increases in construction costs; and 4) little in the way of contingency. Fruitridge Habitat is presently locked into its current appraisal by CHFA, an FHA Master Commitment, and the State Farmworker Grant program.

To allow this project to be completed and sold out, Fruitridge Habitat has requested financial assistance from the Agency in the form of a grant or loans to the buyers. Staff recommends providing a grant of CDBG funds to Fruitridge Habitat to construct the homes and subsequently rolling these funds over as deferred loans to the buyers. These loans should be structured as silent, no interest second and be forgivable if the home is occupied by the buyer for ten (10) years. If sold prior to that time, any appreciation up to the amount of the loan would be due the CDBG Program.

MBE/WBE REQUIREMENTS

Because this project is subsidized with federal funds, the Agency's Minority and Women's Business Enterprise Program will apply.

FINANCIAL DATA

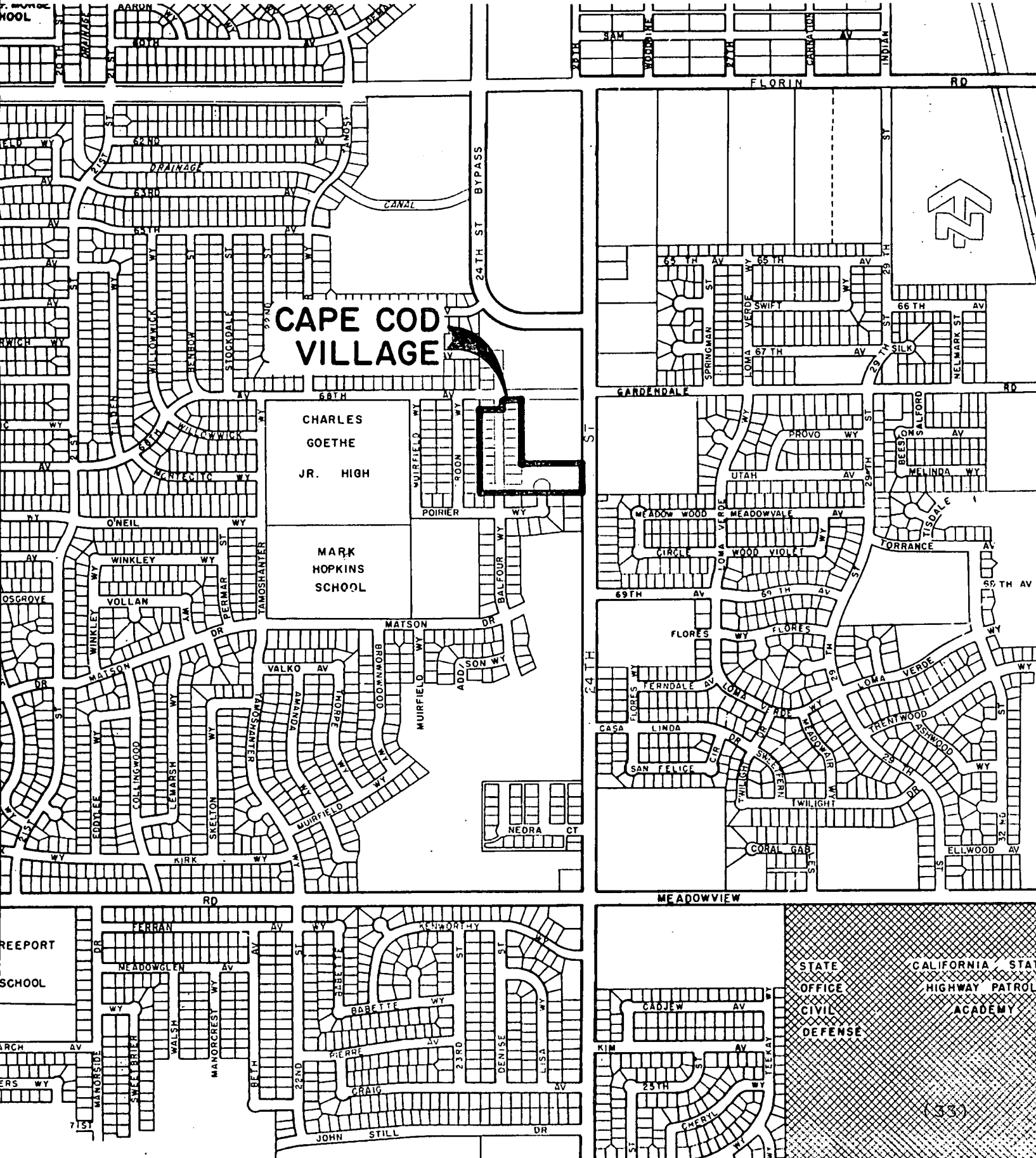
The exact amount of each loan will not be known until closing statements are prepared by the title company; however, between \$10,000 and \$12,000 per unit is anticipated.

POLICY IMPLICATIONS

There are no explicit policies on loans of this nature to prospective homeowners; however, the County is making deferred payment, forgivable loans using CDBG funds in conjunction with the 44th Street Self-Help Project in South Sacramento which is sponsored by another nonprofit, Rural California Housing Corporation.

3010k

CAPE COD VILLAGE HOME CONSTRUCTION



FRUITRIDGE HABITAT

Southfield Unit No. 3/Cape Cod Village
12 Month Projection Breakdown To Construct
And Sell Half-Plex Units (6)

UNIT SALES PRICE: \$55,000.00

BREAKDOWN PER UNIT:

OUTREACH.....	1200
BROKER (6%).....	3900
RENT.....	300
SUPPLIES.....	75
ADVERTISEMENT.....	125
PHONE.....	200
CLOSING COST.....	1500
HCD-PREDEVELOPMENT LOAN.....	11047
INTEREST (12mos. @ 7%).....	784
HCD-FARMERWORKER.....	6311
LIABILITY INSURANCE (12 mos.).....	1167
FIRE INSURANCE (12 mos.).....	170
TOTAL OVERHEAD.....	26,779
TOTAL CONSTRUCTION COST.....	38,221
TOTAL COST.....	65,000

3010k