

**City of Visalia
Agenda Item Transmittal**

Meeting Date: September 7, 2010

Agenda Item Number (Assigned by City Clerk): 13

Agenda Item Wording: Approve final 2009-2010 Program Year Consolidated Annual Performance and Evaluation Report (CAPER); and approve 2nd Amendment to the 2009/10 Action Plan and 1st Amendment to the 2010/11 Action Plan, reprogramming HOME funds.

Resolution No. 2010-58.

Deadline for Action: September 7, 2010

Submitting Department: Housing and Economic Development

Contact Name and Phone Number: Ricardo Noguera (4190); Rhonda Haynes (4460); Nancy Renovato (4462)

Department Recommendation:

1) That the City Council approve the 2nd Amendment to the 2009/10 Action Plan and 1st Amendment to the 2010/11 Action Plan, redirecting a total of \$520,000 from the 2009/10 & 2010/11 HOME funded First Time Homebuyers Program to the New Homes Deferred 2nd Mortgage Program. The program is directed at assisting families of newly constructed homes, thus bolstering jobs within the construction industry.

2) That the City Council adopt by resolution the Final 2009/2010 Program Year CAPER Consolidated Annual Performance Evaluation Report); and

3) Authorize the City Manager to make minor modifications to the final new program guidelines as necessary to implement the Council's action.

Summary/background:

1.) Action Plan Amendments

Action Plan Amendments Fiscal Year 2009/2010 & 2010/2011(\$520,000 HOME funds):

Staff recommends redirecting \$520,000 from the 2009/10 & 2010/11 HOME funded First Time Homebuyers Program to the New Homes Deferred 2nd Mortgage Program. This program is directed at assisting families of newly constructed homes within the city limits. The intent is to provide further opportunities to local families to purchase homes and bolster jobs within the construction industry.

In the past, the City of Visalia's First Time Homebuyer Program (FTHB) has provided funds to homeowners of existing homes within the city limits. Although the program has already assisted ten (10)

For action by:

- City Council
- Redev. Agency Bd.
- Cap. Impr. Corp.
- VPFA

For placement on which agenda:

- Work Session
- Closed Session

Regular Session:

- Consent Calendar
- Regular Item
- Public Hearing

Est. Time (Min.):15

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected

Finance or City Attorney Review.

- Mortgage principal, interest, taxes and insurance shall be no less than 30% and no more than 35% of monthly gross income
- 3% down payment (1st mortgage approved gift, cash contributions are acceptable)
- Family income must be less than 80% of the area median income (i.e. Family of 4 (80% AMI = \$45,050 per year for 2010))
- Maximum second mortgage loan up to \$40,000 of the purchase price
- Interest rate of 2nd mortgage shall be two-percent (2%) simple interest
- City Loan is recorded in 2nd position on new property
- Loan shall be deferred for 15 year, payable thereafter or immediately upon sale, rent or transfer of ownership
- An affordability covenant for a period of 15 years shall be placed on the property/borrower (home must remain affordable to families at or below 80% of the area median income (AMI))
- No upgrades allowed.
- Developer to contribute toward program (i.e. down payment, cash contribution)

Staff recommends that the City Manager be authorized to make minor modifications to the final new program guidelines as necessary to implement the Council's action.

2.) *CAPER 2009/2010*

HUD Requirements:

The Consolidated Annual Performance Evaluation Report (CAPER) was prepared by the Housing and Economic Development Department in compliance with the U.S. Department of Housing and Urban Development (HUD) requirements. The CAPER is a federally mandated document that evaluates the City's overall progress and performance in meeting the priority activities identified in its Consolidated Plan. The document is a tool used by HUD and the City to evaluate accomplishments and actions taken during the previous program year. This CAPER assesses the City of Visalia's fifth year of progress for the Consolidated Plan year 2005-2010 in completing activities identified in the 2009/2010 Action Plan Year for the period beginning July 1, 2009 through June 30, 2010, as well as any activities that were continued from prior program years.

National Objectives and Outcomes

The primary objective of the City's projects and programs is to develop viable communities through the provision of decent and affordable housing, provide a suitable living environment, and create economic opportunities, principally for person of low and moderate income. To clearly identify Visalia's housing and community needs, the City will adhere to meeting HUD's three National Objectives; Provide Decent Affordable Housing, Provide a Suitable Living Environment and Create Economic Opportunities. The Outcomes of these Objectives are to improve availability or accessibility, Improve Affordability, and Improve Sustainability by promoting viable communities.

Over the course of Fiscal Year 2009-2010, the Housing and Economic Development Department made great strides towards developing and expanding home ownership and housing opportunities.

Affordable Housing

- **First Time Homebuyer Program (HOME funds):** This program assists low income families with a loan up to \$40,000 as a second mortgage for gap financing and/or down payment assistance. In Fiscal Year 09/10, the City assisted a total of ten families in the amount of \$493,062. Currently, the City has reserved a total of \$110,000 to assist three more families who are currently going through the application process.



- **CalHome First Time Homebuyers Program (non federal funds)** – State CalHome funds in the amount of \$600,000 were awarded to the City in 2006. The City utilized the funding to assist families with the purchase of a home. Since inception of the program, the City assisted a total of 15 households totaling \$598,000 to achieve the American Dream of homeownership.

- **Sierra Meadows Project** - The City of Visalia in partnership with Christian Church Homes of Northern California have been working together since 2004 for the construction of 42 units of senior housing. To date, the City has contributed a total of \$2.8 million in HOME funds towards this project. This amount represents 30% of the development cost of \$9.4 million dollars. The project addresses the objectives of the Consolidated Plan as a high priority for “Special Needs Housing”. The project broke ground on December 2009, and is 50% complete, with the roof, street sidewalks, driveway, parking lot, and exterior windows completed. The project is anticipated to be completed by March 2011.



- **Paradise and Court Project** - The City in partnership with Tulare County Housing Authority and non-profit partner; Kaweah Management Company are addressing the needs of the community infill housing development through rehabilitation and construction of new affordable housing units. The City has provided \$500,000 in HOME CHDO funds and \$500,000 in Redevelopment Low Mod funds to assist with the rehabilitation of eleven (11) units and construction of nine (9) units at the northeast corner of Paradise and Court Street. The Rehab phase of the project is approximately 95% complete, with fencing and landscaping underway.



- **Neighborhood Stabilization Program (NSP)** – In September 2008, the City was awarded a \$2.38 million CDBG grant from HUD to acquire, rehabilitate, and resell foreclosed properties. As a requirement of the grant, the City must meet the CDBG National Objective by purchasing and rehabilitating foreclosed properties and re-sell them to families with income up to 120 percent of the Area Median Income (AMI). Additionally, HUD requires that 25% of the grant (\$600,000) be directed toward families at or below 50% AMI. HUD requires that all funds be obligated by September 2010. The City has met the obligation requirement.

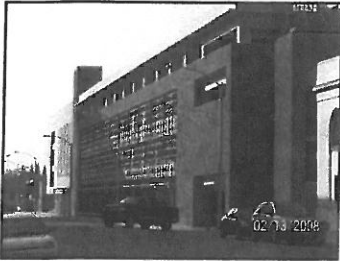
The City’s program is geared to recycle its dollars through the resale of homes in order to purchase and rehabilitate more homes and assist more families. The goal for 2010/11 is to purchase, rehabilitate and resell 24 more homes. On average the City buys one house per month. A total of 21 have been purchased and 15 resold.

| Table II | |
|------------------------------------|------------------|
| 15 Homes Purchased & Resold | |
| 1821 E. Babcock | 2342 N. Jacob |
| 2431 N. Charter Oak | 820 E Oakridge |
| 2429 N. Clark | 1032 E. Oakridge |
| 2450 N Clark | 1829 W. Perez |
| 2021 W. Ferguson | 1710 N. Park |
| 620 E. Harold | 1932 W. Vine |
| 1922 E. Harold | 2946 N. Willis |
| 2322 N. Jacob | |
| 4 Homes Under Rehabilitation | |
| 937 E. Ferguson | |
| 2238 N Oak Park | |
| 429 E Oakridge Court | |
| 1 Multi- Fmly Under Rehabilitation | |
| 210 NW 2nd (Multi-family) | |
| 1 Home Available for Resale | |
| 2339 N. Bradley | |
| 1743 E. Babcock | |

Economic Development:

➤ **Parking Structure (West Acequia Parking Structure) - Section 108 Loan:** The West Acequia

Parking Structure was completed in 2007, and continues to provide economic benefits to the Downtown Area. The 700 space garage, bound by Acequia, Floral, and Main Streets supports the hospital's recent six-story expansion as well as many local businesses throughout the downtown area. As part of the City's loan agreement with HUD, there is a commitment of



job creation. Since the hospital's expansion, Kaweah Delta District has created a total of 552 jobs, which staff continues to monitor annually. Additionally, the parking structure will also support the jobs created by the expansion of the Transit Center and a 60,000 square foot,



three-story development; Main Street Promenade. In fiscal year 09/10, the City made a Section 108 payment in the amount of \$497,646.



Senior and Other Housing Assistance:

- **Mobile Home Senior Handicap and Repair Program (SHARP)** – This program administered by Self-Help Enterprises has a total of \$90,000 to support the administration and repairs to mobile homes owned by low income and handicap seniors. The vast majority of repairs are currently of life and safety issues such as roofs, air conditioning, plumbing & electrical and handicap ramps. Without such a program, these coaches would be uninhabitable and force the seniors out. Thus far, two households have been assisted, and 3 households are in progress. It is projected that five more households will be assisted over the next several months.
- **Senior Home Repair Minor Repairs** – This program, administered by Community Services and Employment Training (CSET) assists senior citizens by addressing minor repairs to their home. Repairs may include; plumbing, cooler/air conditioning, roof, door, windows, and electrical repairs. In fiscal year 09/10, the City allocated \$91,000 and has addressed a total of 725 repairs. Additionally, CSET utilizes donated materials to further assist these seniors who are typically on a fixed income.

Neighborhood Preservation

- **Code Enforcement** - The Neighborhood Preservation Division is responsible for the management of the Code Enforcement Program. The primary emphasis of the program is on Life Safety and non-compliance code issues. Considerable efforts are focused on Health and Safety Code enforcement as it primarily relates to Housing standards. Some of the common violations include: substandard housing, unsafe structures, abandoned properties, contaminated and/ or unsecured swimming pools, construction without permits, and unlicensed vendors. In fiscal year 09/10, the City allocated a total of \$166,250 in CDBG funds and expended a total of \$106,076. A total of 81 code cases were opened in fiscal year 09/10 and 254 closed within CDBG target areas. *(Closed cases may include cases that were opened in previous years but closed in fiscal year 09/10)*

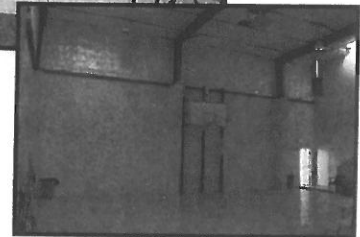
Public Improvements

- **ADA Compliance** - The City has always been at the forefront of working to improve access for persons with disabilities. The City in partnership with the Disability Advocacy Committee will continue to support the disabled community by providing ADA compliant ramps and warning detection panels for the blind throughout the downtown area and the City's CDBG target areas. In fiscal year 09/10, the City allocated a total of \$50,000. On March 25, 2010, the City Manager authorized budget modifications to the 2009/10 & 2006/07 Action Plans re-directing an additional \$18,116.62 for ADA Compliance. The City's ADA Compliance program provided 33 curb cuts and expended a total of \$70,697.

- **Fox Theater Painting** – The total painting budget for the Fox Theater was \$43,700. Of this amount, the City contributed a total of \$30,000 in CDBG funds. The remaining balance came from Visalian Friends of the Fox. The painting was completed in July 2010. A total of \$14,141 was expended in 2009/10. The balance of the expenditures will be reported in next year's CAPER.



- **Village Park/Wittman Center** – In April 2009, the City completed improvements to the Jefferson Park and Wittman Center totaling \$76,126 in CDBG funds and \$88,123 obtained from a State grant. The improvements included; picnic tables and pads, new irrigation system, refurbish park benches, soccer goals, landscaping, concrete curbing, and concrete work. Inside the building, work consisted of new lighting in the main multi-purpose room, painting of the exterior stairwell, painting of the interior main activity room; demo of the concession room on the interior, kitchen improvements, new basketball equipment, some floor tile work in the multi-purpose room, two new swamp coolers, interior ceiling insulation, new exterior awning, and new drinking fountain.



Community Development Block Grant Recovery (CDBG-R) In response to the economic recession, the City was also the recipient of funding through The American Recovery and Reinvestment Act of 2009 (ARRA). The City proposed and invested a total of \$322,067 in CDBG-R funds into infrastructure and public facility activities. These activities will achieve long-term benefits, quickly spur further economic investment, create and/or retain jobs in the community; especially in areas with the greatest need, and improve the quality of life in deteriorating neighborhoods. The improvements include:

- **Public Sidewalk & Handicap Access (\$35,000)** - Project to construct sidewalks along both Watson Avenue (7' wide), on the west side of the park, and Myrtle (6' wide) on the North, including a handicap ramp at the intersection of Watson and Myrtle. The project is located at 700 S. Watson (3.6 acres) bounded by Watson/Myrtle/Encina and Cypress within the CDBG area. **Status: Project Complete**



- **Center Avenue Improvements (\$193,200)** - Project consists of providing bulb outs at intersections between crosswalks and angled parking spaces and providing truncated domes on the



existing sidewalk handicap ramps. This project will provide safer pedestrian access within the CDBG area by slowing traffic along the corridor, providing additional separation between cars parking and pedestrians and adding truncated domes to the existing handicap ramps. The truncated domes provide a sensory detection for sight impaired citizens utilizing canes when approaching the intersection. This project also provides safer pedestrian access for employees and customers to the businesses in the CDBG area. Due to the summer weather, installation of landscape improvements will take place late fall 2010. **Status: Project underway and near completion.**

- **Anthony Community Center (\$61,660)** - Rehabilitation of multi-purpose main room & restrooms. These facilities are 50 years old. The primary work is to repair and paint the walls in the multi-purpose room; replace the existing rubber floor with a tile floor; includes replacement of sheet rock in some areas, texture, primer & painting of the walls, and renovation of existing restrooms. This project will improve the quality of a neighborhood facility for low income persons. **Status: Project underway & near completion.**



Special Needs

- **Continuum of Care** - The City continues its partnership with the Kings/Tulare Continuum of Care to address issues of homelessness. The Continuum of Care (CoC) is a consortium of housing providers, service providers, and local government, that work together to end homelessness in Kings and Tulare Counties. The City of Visalia is one of several cities within the region that supports the CoC through the provision of funding or in-kind contributions. In fiscal year 2009/2010 the City allocated and expended a total of \$5,000 to support efforts by the CoC. The CoC utilized these funds to engage legal counsel and an accountant to assist in the completion of a 501c3 non-profit status application. The CoC obtained non-profit status in September 2009. Since then, the CoC has received a \$1.1 million federal grant to support agencies throughout Kings & Tulare Counties. Most recently in July 2010, the CoC received a total of \$348,739 which will be used for supportive housing units in Visalia.

Table III Goal Achievement 2009-2010

This table identifies the HOME and CDBG Achievements for the program year as they relate to meeting the National Objectives. Additional detailed data is provided as Attachment "A"; Consolidated Annual Performance Evaluation Report (CAPER) and Attachment "B", CAPER 2009-2010 Expenditures

Table III
HUD Housing Program Goal Achievement

| Program Unit/Services Goal | Unit Goal | Units Completed | % of Goal |
|------------------------------------|-----------|--------------------------------------|-----------|
| First Time Homebuyer Program | 14 | 10 | 71% |
| Paradise & Court CHDO | 20 | Project Underway: Rehab 95% Complete | |
| Christian Church Homes | 42 | Project Underway: 50% Complete | |
| Code Enforcement | 120 | 254 | 212% |
| Fairhousing Hotline | 100 | 267 | 267% |
| Continuum of Care | 1 | 1 | 100% |
| ADA Compliance | 15 | 33 | 220% |
| Minor Senior Home Repairs | 600 | 725 | 121% |
| Mobile Home Senior Handicap Repair | 14 | 2 | 14% |

Although most programs and services exceeded/met expectations; the Mobile Home Senior Handicap Repair Program (SHARP) and First Time Homebuyer Program fell short due to completion of environmental documents and HUD approval. The Mobile Home SHARP assists senior citizens with a grant to make health and safety repairs to their mobile home. Due to a continued decline in Program Income, and in order to balance the budget, staff had to reduce the funding to this program; however, staff also increased the grant amount from \$5,000 to \$7,000 to assist seniors with additional repairs to their home.

Committee/Commission Review and Actions:

As per the Citizens Participation Plan, the Consolidated Annual Performance Evaluation Report was reviewed and presented to the Disability Advocacy Committee on August 9th; the North Visalia Neighborhood Advisory Committee on August 19th; and the Citizens Advisory Committee on September 1st. (Attachment C)

Prior Council/Board Actions: Adoption of the 2005/10 Consolidated Plan and adoption of the 2007-2008 Action Plan (May 07, 2008) and 1st & 2nd amendments (July 14, 2008 and September 15, 2008) and Action Plan 2008/2009 (April 21, 2008) and Neighborhood Stabilization Program (November 3, 2008) and Adoption of 3rd Amendment to the 06/07, 4th Amendment to the 07/08, 5th amendment to the 08/09, 1st amendment to the 09/10 Action Plans (February 16, 2010) and Adoption of approval to use NSP funds to acquire a multi-family complex (January 11, 2010) Adoption of 2nd amendment, and 1st amendment to 08/09 Action Plan (April 20, 2009) Adoption of Consolidated Plan and 10/11 Action Plan (April 19, 2010)

Alternatives: None recommended.

Attachments:

- Attachment "A" Consolidated Annual Performance Evaluation Report (CAPER) 2009/10
- Attachment "B" CAPER 2009/10 Expenditures
- Attachment "C" Committee Notes
- Attachment "D" Resolution

Recommended Motion (and Alternative Motions if expected):

- 1) That the City Council adopt by resolution the Final 2009/2010 Program Year CAPER Consolidated Annual Performance Evaluation Report); and
- 2) That the City Council approve the 2nd Amendment to the 2009/10 Action Plan and 1st Amendment to the 2010/11 Action Plan, redirecting a total of \$520,000 from the 2009/10 & 2010/11 HOME funded First Time Homebuyers Program to the New Homes Deferred 2nd Mortgage Program. The program is directed at assisting families of newly constructed homes, thus bolstering jobs within the construction industry.
- 3) Authorize the City Manager to make minor modifications to the final new program guidelines as necessary to implement the Council's action.

Environmental Assessment Status

CEQA Review: N/A

NEPA Review: Required for Program Amendment

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date) - Resolution*

Copies of this report have been provided to:

RESOLUTION NO. 2010-58

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA
APPROVING THE 2009-2010 PROGRAM YEAR
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUTION REPORT**

WHEREAS, the City of Visalia operated the Community Development Block Grant Program (CDBG), and the Home Investment Partnerships Grant Program (HOME) for the 2009-2010 Program Year; and

WHEREAS, the City is required to submit a Consolidated Annual Performance and Evaluation Report (CAPER) to the U.S. Department of Housing and Urban Development (HUD) for the activities and expenditures for the 2009-2010 Program Year; and

WHEREAS, the City must also certify that it is complying with HUD requirements for the use of CDBG and HOME funds; and

WHEREAS, the City spent \$2.4 million dollars in CDBG and HOME funds during the 2009-2010 Program Year; 100% of the funds were used to assist households with incomes at or below 80% of median income; and

WHEREAS, the City Manager is the certifying official for all HUD reports and transactions.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Visalia that it approves the attached 2009-2010 Program Year Consolidated Annual Performance and Evaluation Report, and authorizes the City Manager to submit the same to HUD on behalf of the City of Visalia.