

2008-09 ACTION PLAN

April 22, 2008

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Public Services and Emergency Service Grants: To prepare this Action Plan, staff issued a Request for Proposals to 38 organizations, of which 18 responded. Attachment No. 3 summarizes their proposed programs and budgets and staff's analysis and funding recommendations. Funding is recommended for nine continuing programs. This includes three public service programs that will alleviate poverty, improve neighborhoods, and provide a safety net for seniors; and four emergency service programs that will prevent and address homelessness.

Funding in the CDBG public service category is strictly limited by HUD regulatory formula to \$385,986 this year. Requests for funding exceeded that cap, so staff recommends allocating every dollar available.

In their April 7 meeting, the Neighborhood Improvement and Conservation Commission (NICC) heard public comments on the draft Action Plan. After receiving and considering public comments, the NICC unanimously endorsed the proposed funding recommendation.

Neighborhood Improvement: Public facility and infrastructure improvement will be accomplished through the installation of pedestrian crossing safety signals and storm drain improvements to alleviate flooding in low-income areas near Newland, Yockey, Magnolia and Cannery Streets. Additionally, funds have been allocated for the rehabilitation of the public facility housing the adult day care program. Staff recommends \$500,153 in HUD funds.

Economic Development: A total of \$1.2 million in new HUD fund allocations are proposed to repay the City's Section 108 loan obligation for earlier investments in the Harbor Boulevard tourism corridor. An additional \$112,590 in new HUD funds and \$1,662,000 in unexpended funds from prior years will be carried forward for use next year for new property acquisition to support additional job creation and economic development in the Harbor Boulevard area.

Program Planning and Administration: Approximately \$566,000 in new CDBG, HOME, and ESG funds is recommended for staff and material costs for program management, project development and monitoring, public communication, HUD reporting, and financial administration, with an additional \$19,717 for associated overhead costs. These allocations are just under the caps allowed by HUD. Unlike many other HUD-funded jurisdictions, Garden Grove does not separately charge staff time for project design and management outside those caps. Staff recommends \$36,244 for the Orange County Fair Housing Council to help the City fulfill its obligation to affirmatively further fair housing.

Citizen Participation: All HUD citizen participation requirements have been met. Public notices regarding the Draft Action Plan, including an invitation to share comments at this public hearing, were published March 20 and 21 in local English, Spanish, and Vietnamese language newspapers for a 34-day public comment period, exceeding HUD's 30-day minimum.

FINANCIAL IMPACT

The proposed 2008/09 Action Plan will allow the City to access \$3,715,757 in new entitlement grants from HUD and \$3,412,864 in unexpended previous years' funds. The allocation of HUD funds effectively leverages competitive grants, homeowners'

rehabilitation contributions, and the City's General Funds. The nine project proposals that are recommended for funding, for example, will leverage an additional \$24 million in other funds for use in Garden Grove.

COMMUNITY VISION IMPLEMENTATION

HUD funding assists with several goals in the Strategic Plan for the preservation and enhancement for neighborhoods and improvements to the infrastructure.

RECOMMENDATION

Staff recommends that the City Council conduct the public hearing, accept comments, and following discussion:

- Approve the 2008/09 Action Plan for the Use of HUD Funds, and
- Authorize the City Manager to negotiate and execute related documents and agreements. Some project-specific agreements may be brought before City Council again.

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Attachment 1: Draft 2008/09 Action Plan for the Use of HUD Funds
Attachment 2: Summary of Proposed 2008-09 Action Plan Resources
Attachment 3: Proposed 2008-09 Action Plan Activities, Outcomes, and Funding
Attachment 4: Minute Excerpt from the Neighborhood and Conservation Commission meeting of April 7, 2008