

# Consolidated Annual Performance and Evaluation Report for the 2008 - 2009 Annual Plan (July 1, 2008 - June 30, 2009)

## **I. Introduction**

The Consolidated Annual Performance and Evaluation Report (CAPER), which has been prepared for submittal to the U.S. Department of Housing and Urban Development (HUD), reports on specific federal housing and community development assistance allocated by the City of Chico for the period of July 1, 2008 through June 30, 2009. The CAPER provides a summary of progress in carrying out the strategic plan and the action plan components of the Five-Year Consolidated Plan. The Consolidated Plan was submitted to HUD in June 2005 to enable the City of Chico to administer federal funds under the CDBG and HOME programs. The Consolidated Plan planning period is from July 1, 2005 through June 30, 2010. This CAPER, therefore, reports accomplishments for the fourth year of the Consolidated Plan period.

The Consolidated Plan is a 5 year planning document which: 1) identifies housing needs and problems; 2) analyzes market conditions and resources, 3) sets priorities and adopts strategies; 4) allocates resources and 5) contains an annual plan which identifies federal funds expected to be used, indicating the activities on which they will be spent, and sets goals for the number and type of households to be assisted in the applicable federally funded programs.

This CAPER satisfies the reporting requirements for the 2008-2009 Consolidated Plan Program Year. The narrative section of the report contains seven basic elements : 1) an assessment of the five year goals and objectives set forth in the Consolidated Plan, 2) an evaluation on progress in meeting the City's specific objective of providing affordable housing, 3) a summary of resources and programmatic accomplishments, 4) actions taken to address the needs of homeless persons and special needs persons, 5) narratives regarding the City's actions indicated in the strategic and action plans, 6) a self-evaluation of progress made during the past year in addressing identified priority needs and objectives and 7) the City's actions to affirmatively further Fair Housing.

## **II. Citizen Participation Process**

The City published a Public Notice on August 31, 2009 in the Chico Enterprise-Record which notified the public that the Consolidated Annual Performance and Evaluation Report (CAPER) was available for review. Copies of the CAPER were made available at the City's Housing & Neighborhood Services Department. The public was encouraged to submit written or verbal comments on the CAPER during the 15-day comment period. No comments were received on the report.

## **III. Assessment of Five-Year Goals and Objectives**

The City's five-year Strategic Plan includes a range of objectives to be accomplished during the planning period. The objectives include the provision of affordable housing opportunities for the elderly, very-low-income families and low-income homeowners. Other objectives in the plan are to assist homeless families with emergency and transitional shelters and provide public services to low-income residents. In addition, the Strategic Plan includes objectives for the improvement of low-income neighborhoods and creation of jobs for low-income persons.

As stated in the Leveraging Resources section of this report, the City has pursued a variety of housing and community development resources to meet the priority needs in the Consolidated Plan. These funding resources include federal CDBG and HOME entitlements, the federal HUD Section 202 and 811 programs, the state Multi-Family Housing and Workforce Housing Reward programs, the state Emergency Housing and Assistance Program for capital development, local Redevelopment Agency low/moderate-income housing set-aside, and the federal Tax Credit Program for affordable housing, as administered by the State Tax Credit and Allocation Committee.

The City provided certifications of consistency for all projects requesting certifications in a fair and impartial manner. The City did not hinder Consolidated Plan implementation by willful action or inaction.

The following table (Table 1) shows the City’s housing and community development programs grouped by priority need areas. The table shows the priority level, the targeted population and where it has been established, the five-year goal in units and/or dollars. Table 1 also shows the units completed and dollars expended for the reporting period and the progress made towards meeting the five-year goals as of the end of the current reporting period.

**Table 1  
Consolidated Plan Quantified Priority Needs,  
Goals and Accomplishments**

Priority Needs	Priority	Targeting	2005 - 2010 goals		2008-09		Cumulative 5-year	
			units/	expenditures	completed/	expended	completed /	expended
<i>Planning and program administration</i>								
General program administration	N/A	N/A	N/A	--	N/A	208,516	N/A	\$723,050
Housing rehabilitation program administration	N/A	Low and moderate-income households	See housing rehabilitation	--	See housing rehabilitation	13,002	See housing rehabilitation	175,315
<i>Equal Housing Opportunity</i>								
Fair Housing Workshops	Not specified	General population	--	--	4 workshops	6,000	16 workshops	33,301
<i>Housing</i>								
Rental housing development	High	Very-low and low-income households	80 units	--	0	2,800,000	176	14,730,475
Home Ownership development	High	Very-low and low-income households	200 units	--	0	-	0	-
Senior housing development and preservation	High	Senior households (62+)	210 units	--	0	3,300,000	157	9,600,000
Single-room occupancy	High	Low-income persons	50 units	--	0	-		
Home ownership (mortgage subsidy)	Medium	Low and moderate-income households	75 loans	--	36	1,900,000	101	5,120,000
Owner-occupied housing rehabilitation	Medium	Low and moderate-income households	40 households	--	38	814,922	77	1,846,766
Home-buyer education and credit counseling	Not specified	Low and moderate-income households	--	--	30	37,000	448	92,919
Rental housing accessibility	Not specified	Disabled renter households	30 households	--	15	24,221	42	137,636
<i>Homeless</i>								
Tenant-based rental assistance (homeless)	Not specified	Households at-risk of homelessness	50 households	--	38	184,719	75	648,776
Emergency shelter facilities	Not specified	Homeless persons	1 facility	--	1 complete 1 Underway	192,138	1	979,556
Emergency shelter services	Medium	Homeless persons	Not specified	--	1,711	31,995	6,596	124,657
<i>Non-housing community development</i>								
Facilities for public services providers	High	Low and moderate-income persons	Not specified	\$200,000	3	128,969	0	199,250
Public infrastructure improvements	High	Low and moderate-income	Not specified	--	0	0	1	992,757

Priority Needs	Priority	Targeting	2005 - 2010 goals units/ expenditures		2008-09 completed/expended		Cumulative 5-year completed / expended	
		areas						
Code enforcement	Not specified	Households in low and moderate-income areas	Not specified	--	511	103,198	1,700	303,198
Public services (not including emergency shelter)	Various	Very-low and low-income persons	Not specified	775,000	2,458	101,909	7,790	437,961
<i>Economic development (job creation)</i>								
Micro-enterprise counseling	High	Micro-enterprises owned by low and moderate-income persons	Not specified	--	55	20,080	412	79,800

**Summary of 2008-09 Accomplishments**

**Planning and Program Administration**

The City has continued to use the allowable amounts of CDBG and HOME funds to plan for the use of federal housing and community development funds and administer CDBG and HOME-funded programs effectively, in accordance with the requirements promulgated through the federal regulations and program guidance from HUD. In 2008-2009, a total of \$208,516 was expended from the two funding sources for this purpose.

**Equal Housing Opportunity/Fair Housing**

The City provided funding to educate the general population regarding fair housing obligations under state and federal law. Public workshops were funded from the administrative portion of CDBG funding. Individual assistance regarding housing rights was provided to low-income persons through a public services grant.

**Housing Services:**

**Affordable Housing Production**

The City of Chico and the Chico Redevelopment Agency continued to make significant commitments to housing production in 2008-09. While no new affordable units were actually constructed in 2008-09 (2007-2008 had been a very busy year, with 226 units constructed), the City continued to work with developers on a number of new projects set to begin construction in 2009-10. All of these projects have been working to secure the remaining funding needed for the project, typically through the tax credit program, one of the HUD funding programs and/or have been working their way through the planning entitlement process.

The projects planned to begin construction in 2009-10, with City/RDA funding contributions are as follows:

**Multi-Family Rental:**

Bidwell Park Apartments, 38 units, \$1.8 million Chico RDA  
 Parkside Terrace Apartments, 90 units, \$2.8 million Chico RDA

**Special Needs Rental:**

Villa Serena, 9 units, \$900,000 Chico RDA

**Single Family Homeownership:**

Habitat for Humanity (Self-Help), 8 units, \$132,000 HOME, \$480,000 Chico RDA  
 Manzanita Pointe (Self-Help), 6 units, \$734,602 HOME CHDO  
 1901 Magnolia, 2 units, \$150,000 Chico RDA

These efforts continue to place the City well on its way to meeting the five-year goals for housing production.

### Homeownership Assistance

The City and Chico Redevelopment Agency operate an active and very popular downpayment assistance program for first-time homebuyers who are income eligible. HOME funds are used to assist low-income households, while RDA funds are used to assist low/median/moderate income households. During this reporting period the City assisted 36 first-time homebuyers with an aggregate assistance of \$1,900,000 (\$300,000 in HOME funds, and \$1.6 million in RDA funds). Fourteen families were low- to median income ( $\leq 80\%$  AMI), and twenty-two families were median to moderate income (80% - 120% AMI). The average loan amount was \$52,778. The average sales price of homes purchased with assistance during this reporting period was \$227,703.

### Housing Rehabilitation

Preserving the City's existing housing stock is an important part of the City's overall housing strategy. The City's owner-occupied housing rehabilitation loan program funded five projects during the reporting period. These comprehensive rehabilitation projects were funded with the City's HOME grant and expenditures totaled \$532,467. In 2007-08 the City instituted a grant program (up to \$15,000) using CDBG funds for minor home repairs. This program expended a total of \$295,456, much of it spent for mobile home repairs. The average after-rehab appraised value of the single-family homes using the program was \$209,000 and the average total assistance amount was \$93,600. This average assistance was much higher than in previous years, as two of the five single-family homes were demo/re-build projects, due to the extreme substandard condition of those structures.

### Homebuyer Education and Credit Counseling

The Redevelopment Agency contracts with the Community Housing and Credit Counseling Center (CHCCC) to provide credit and home purchase counseling, with RDA funds directed towards homebuyer education for those households utilizing the downpayment assistance program. The CHCCC also provides counseling to those households facing foreclosure, and credit counseling for households enrolled in a family self-sufficiency program. In 2008-09, 30 families received such counseling.

### Rental Housing Accessibility Program

The City is able to provide a valuable service, in partnership with Independent Living Services, to disabled renters who need accessibility accommodations made to their housing unit in order to support and promote their independence. Common improvements include wheelchair ramps, lifts, grab bars and doorway widenings. This program provided 15 grants to disabled renters using CDBG funds.

### Homelessness, Emergency Shelter and Transitional Housing

The City works actively with local agencies to provide a continuum of services to shelter the homeless, transition the homeless to permanent housing, and to prevent homelessness. The City is a member of the Greater Chico Homeless Taskforce and provides administrative support to the taskforce. The City is also a voting member of the Butte County Continuum of Care Council. CDBG funds are provided through the administrative cap to support the position of the Continuum of Care Coordinator.

The Chico Community Shelter Partnership (CCSP) continues to operate the Torres Community Shelter. Due to the increasing number of families seeking services, the CCSP Board has decided to use some of the balance of their outstanding CDBG capital improvements grant from 2004 to complete an interior renovation of the building to provide more rooms for families. This project will begin in 2009. The CCSP also receives an annual allocation of operating funds through the public services component of the CDBG program.

Catalyst Domestic Violence Services began construction of their new shelter/transitional housing project in May 2009. This project has come together with a variety of funding sources, including: \$450,000 from the Community Development Block Grant program, \$295,000 from the City's Workforce Housing Reward Program grant from the State of California, \$1.15 million from the Chico RDA and a \$1 million state EHAP capital development deferred loan. The new shelter will provide 35 shelter beds/transitional housing and space for Catalyst to provide services to the sheltered families.

The City's Tenant-Based Rental Assistance program provides short-term rental assistance (12 to 24 months) to very-low and extremely-low-income 'hard-to-house' and special needs families who are at-risk of homelessness, but who are working towards family self-sufficiency with an established social services provider. In program year 2008 the City expended \$184,719 in HOME funds to assist 38 very-low-income and extremely-low-income households.

The City also provided \$31,995 in CDBG operating grants to the Catalyst Women’s Shelter and the Torres Shelter. A total of 1,648 persons were assisted at these facilities during the program year.

The City provided a \$17,000 capital grant to Stairways Recovery, for the renovation of Harmony House. This facility provides emergency beds to homeless persons who are being discharged from the hospital with a continuing need for medical care, but no home or facility to be discharged to. Enloe Medical Center provides the funding for nurses who check on the discharged persons, administer medication, dress wounds, etc.

### **Non-Housing Community Development Services:**

#### Facilities for Public Services Providers (non-emergency shelter)

During the year, the City provided capital improvement grants through its CDBG funding to three service providers as follows:

- Innovative Health Care Services (Peg Taylor Center): This facility provides health-care services for low-income individuals with disabilities. Grant funds (\$48,270) were used to replace carpet throughout the facility, paint and weatherproof the exterior, paint building interior, replace damaged downspouts, repair water damage, and repair the HVAC system.
- The Children’s Education Fund (Community Children’s Center): Childcare services for low-income families are provided at this facility on Elm Street. Grant funds (\$55,713) were used to grade and pave the parking lot and install valley gutter between the parking lot and street.
- Club Stairways (Stairways Clubhouse): The Stairways Clubhouse provides health and employment services for low-income individuals with disabilities, with a focus on persons with mental illness who are homeless or have recently experienced homelessness. The Clubhouse is located within the Jesus Center facility on Park Avenue. Grant funds (\$24,995) were used to develop the interior space of the Clubhouse, including painting, installing flooring/windows/doors/electrical system, and installation of HVAC.

#### Public Services

Public services (not including services to the homeless) provided benefit to 2,458 persons using \$101,909 in CDBG funding. Funded services included independent living assistance for the disabled, meal delivery to seniors, childcare services for low-income families, fair housing counseling and operations support for transitional housing.

#### Code Enforcement

CDBG-funded Code Enforcement is used as a tool in those areas of the City where at least 51% of the persons residing there are low-moderate income and the enforcement, along with other city improvements and services, is expected to arrest the decline of the area. In 2008-2009 \$103,198 of CDBG was expended to support code enforcement in low-income areas of Chico. Code Enforcement staff opened 511 cases in low-income target areas during the year.

#### Economic Development

One of the goals of the CDBG program is to expand economic opportunities for low-moderate income persons. To support this goal, the City continued its on-going funding for the micro-enterprise counseling effort through the Small Business Development Center at Butte College. Fifty-five (55) low-income businesses with five or fewer employees were provided with services.

## **IV. Affordable Housing**

The City strives to meet the diverse housing needs of the community by having an active affordable housing production program and housing programs that meet the needs of low-income households.

#### Housing Production

As described earlier, no actual construction of affordable units occurred during 2008-2009. This lack of construction is only due to the timing of projects “in the pipeline” completing their funding commitments from other sources. For example, due to the competitive nature of the tax credit program, and the effect that the decline in the housing and credit markets have had on this program, projects must typically submit a number of applications (2 or

3) before they receive an allocation of tax credits. During the 2008-2009 year, staff continued to work with developers on a number of projects which now appear they will be ready to begin construction in 2009-2010. During 2008-2009, these projects were continuing to apply for funding, complete loan and regulatory agreements with the funding agencies, secure any necessary land use entitlements, and complete pre-development studies and plans.

A summary of these upcoming projects, with the unit count by income level, is provided below.

Project name	Type of project	Total units	Extremely Low Income	Very Low Income	Low Income	Median Income	Moderate Income
Bidwell Park Apts	Family rental	38		28	10		
Parkside Terrace Apts	Family rental	90		72	18		
Villa Serena	Special Needs	9		9			
Habitat for Humanity	Ownership	8			8		
Manzanita Pointe	Ownership	6			6		
1901 Magnolia	Ownership	2					2
		153		109	42		2

Housing Programs

The City has several programs to meet the needs of low-income households; these include the HOME- and CDBG-funded Housing Rehabilitation, the HOME-funded Tenant-Based Rental Assistance program, the RDA-funded Mortgage Subsidy program and the Rental Housing Accessibility program that is funded from the CDBG program.

The Housing Rehabilitation program completed 38 projects in the program year. The total amount of assistance provided was \$814,922 (both loans and grants) and the average assistance in the loan portion of the program was \$93,600. Grants have a maximum cap of \$15,000.

The Tenant-Based Rental Assistance program assisted 38 very-low and extremely-low-income families in program year 2008 by providing rental deposits and direct rental assistance. The City expended \$184,719 in HOME funds in the year.

The Mortgage Subsidy Program provided 36 first-time home buyers with down-payment assistance. The total amount made available for the program was \$1,900,000 with an average assistance of \$52,778. The average purchase price was \$227,703.

The Rental Housing Accessibility program provided 15 grants to disabled renters for installation of accessibility improvements. These improvements included threshold and entry ramps, roll-in shower stalls and grab bars. A total of \$24,221 was expended for an average assistance of \$1,615.

Please see ‘Table 2’ that follows for a summary of housing accomplishments in the program year.

**Table 2  
Summary of Housing Accomplishments for Program Year 2008  
(July 2008 – June 2009)**

Activity listed in Consolidated Plan Annual Plan	Committed	Non-federal share of committed	Expended	Planned/underway	Completed
<b>PRIORITY ONE ACTIVITIES</b>					
<i>Very Low Income Rental Households &lt;60% AMI</i>					
Tenant Based Rental Assistance	\$ 247,112	\$ -	\$ 184,719	38	38
Rental Housing (Very Low and low Seniors)					
Family Housing (Low and Very Low)	2,800,000	2,800,000	2,800,000	138	0
<i>Purchase Assistance for New &amp; Existing Homes</i>					
Mortgage Subsidy Program	1,900,000	1,600,000	1,900,000	36	36
<b>TOTAL PRIORITY ONE</b>	<b>4,947,112</b>	<b>4,400,000</b>	<b>4,884,719</b>	<b>212</b>	<b>74</b>
<b>PRIORITY TWO ACTIVITIES</b>					
<i>Low-Income Owner Households &lt;80% AMI</i>					
Housing Rehabilitation Program	854,977	-	814,922	30	38
Rental Housing Accessibility Program	34,105	-	24,221	15	15
<i>Homeless Persons and Families</i>					
Shelter facilities	2,100,000	1,295,000	192,138	4	2
Transitional housing	0	0		0	0
<b>TOTAL PRIORITY TWO</b>	<b>2,989,082</b>	<b>1,295,000</b>	<b>1,031,281</b>	<b>49</b>	<b>55</b>

Households And Persons Assisted With Housing

The City assisted over 5,000 households and persons in the City with housing through many avenues of funding and programs. For the purposes of this report an assisted unit is defined as "one which, during the reporting period, received benefits through the investment of Federal funds, either alone or in conjunction with the investment of other public or private funds."

Assisted households include those assisted through the provision or preservation of housing, the provision of shelter, the improvement of housing conditions, direct or indirect purchase assistance, rental subsidy and housing-related services. In the case of the provision, preservation, rehabilitation or purchase assistance, only units completed in the program year are tabulated.

The tables on the following page show assisted households by tenure type and income (for non-homeless) "Table 3" and those same households by race, ethnicity and special needs "Table 4." Please note that the RDA-funded portion of the Mortgage Subsidy Program did not collect race and ethnicity information and more than one sub-recipient reported partial information on beneficiary characteristics.

**Table 3**  
**Total Housing Assistance by Tenure Type**

<u>Renters</u>	
0-30% of MFI	3
31 - 50% of MFI	50
51 - 80% of MFI	-
> 80% MFI	-
Total renters	53
<u>Owners</u>	
0-30% of MFI	-
31 - 50% of MFI	-
51 - 80% of MFI	82
> 80% MFI	22
Total homeowners	104
Homeless	1,711
<b>Total Housing</b>	<b>1,868</b>

**Table 4**  
**Total Housing Assistance by Race, Ethnicity and Special Needs Population**

American Indian/Alaskan Native	55
Asian	88
Black or African-American	72
Native Hawaiian/Pacific Islander	15
White	1,036
American Indian/Alaskan Native and White	24
Asian and White	10
Black or African-American and White	4
Other Multi-racial	31
Unknown, not reported	533
Hispanic (all races)	299
Senior	19
Disabled	104
Female head of household	560

## V. LEVERAGING RESOURCES

The City committed substantial non-entitlement resources to support its housing efforts during the program year. With a number of major projects in the pre-development phase in 2008-09, one project began construction during this year. Total committed funds were \$2.8 million with only \$450,000 being entitlement funds. For every entitlement dollar, 6.4 non-entitlement dollars were committed. Of the non-entitlement dollars \$1.1 million are local funds (RDA), and \$1.2 million are state. The total non-federal share of all funds committed was \$2.4 million or 84% of total funds.

The following table demonstrates the use of leveraged funds for projects that began construction in 2008-09:

**Leveraged Funds**

Project name and sponsor	type of funds	committed		
		total	entitlement	non-entitlement
Catalyst shelter relocation, Catalyst	state EHAP	1,000,000		1,000,000
	RDA	1,150,000		1,150,000
	HCD Workforce	295,000		295,000
	CDBG	450,000	450,000	-
		<b>2,895,000</b>	<b>450,000</b>	<b>2,445,000</b>

## VI. CONTINUUM OF CARE

The Greater Chico Homeless Task Force (GCHTF) was established in 1997. The GCHTF was formed in response to the Salvation Army operated emergency shelter being closed. The Salvation Army was using the National Guard Armory at the local state fairgrounds in the winter. The National Guard left the fairgrounds and the facility was no longer available to the Salvation Army. Over the first 8 years of the GCHTF's existence a number of housing services were created and linked:

- A local non profit organization was created with the sole mission to provide services to the homeless.
- The GCHTF has met monthly to manage the local continuum of services.
- A community shelter was built that provides emergency shelter for up to 89 persons.
- An outreach program was instituted by the Behavioral Health Department of Butte County.
- The transitional housing facility for families relocated to a new site and expanded from 13 units to 60.
- The City of Chico in conjunction with the Housing Authority of the County of Butte implemented a tenant based rental assistance program.
- The community has received four Super NOFA awards from HUD in the last 5 years.
- The supportive services providers are a very critical element of the continuum and they have coordinated efforts to maximize the services delivered in this era of restricted budgets.

The GCHTF continues to meet on a monthly basis to continue its mission of coordinating services and advocating, at a policy level, for projects and programs which further the goal of providing a wide range of shelter, transitional housing, and permanent affordable housing options.

In 2008, the Butte County Homeless Continuum of Care expanded from the earlier functions of the GCHTF. An oversight Council is made up of members from the cities of Chico, Paradise, Oroville and Gridley, the Butte County Housing Authority, as well as representatives from Butte County Behavioral Health, geographic homeless taskforces within the County and non-profit providers such as Community Action Agency, Caminar, Northern Valley Catholic Social Services, and the Torres Community Shelter. This Council meets on a quarterly basis. The council representatives also all contribute to the funding of a part-time Continuum of Care Coordinator, whose job is to oversee such functions as the annual HUD application for homeless housing services, the Point-in-Time Count, HMIS, other homeless service grant opportunities and coordination among service providers. The larger Continuum of Care meets on a quarterly basis, and the Continuum has a number of specialized subcommittees, such as the Runaway and Homeless Youth Taskforce, the Point-in-Time Census Committee, HMIS Workgroup, Voices Focus

Group (which includes homeless individuals), Homelessness Prevention and Rapid Re-Housing Committee, and the 10-Year Plan to End Homelessness subcommittee.

## VII. CAPER NARRATIVES

### a) Anti-Poverty Strategy

The City's anti-poverty strategy consists of micro-enterprise counseling, tenant-based rental assistance, subsidized childcare and the funding for transitional housing programs which provide a safety net for very-low income families.

- The micro-enterprise counseling program assisted 55 small businesses in 2008-09 by training them in basic business skills such as book-keeping and accounting, marketing and sales, record-keeping, research and development and business planning.
- The City provides funding for affordable child care with CDBG public services grants and general funds. In 2008-09 123 families received subsidized childcare.
- The City provides temporary housing assistance to CalWORKS participants with the HOME Tenant Based Rental Assistance program. Thirty-eight households were helped in 2008-09.
- The City provides funding for transitional housing services provided by Community Action Agency/Esplanade House and Catalyst Women's Domestic Violence Services. These transitional housing services provide a safety net for very-low income families who are in crisis and have recently experienced homelessness. These services allow them to stabilize their lives and their income by providing them with low-cost subsidized housing until they can regain their independence.

### b) Public Housing

The Housing Authority of the County of Butte (HACB) continued to implement the priorities of the Comprehensive Grant Program during this period. HACB has continued to work with residents to provide an environment in which they are able to accumulate adequate resources in order to encourage them to move into homeownership.

### c) Lead Based Paint

Participants in HOME and CDBG-funded housing programs are provided with information on lead hazards. All housing units built before 1978 to be rehabilitated with CDBG or HOME funds are tested for lead hazards. The City has implemented a lead-based paint hazard reduction program pursuant to 24 CFR Part 35. The City has contracted with a consulting firm to conduct risk assessments, supervise construction activity and perform clearance testing. The City requires contractors performing lead-hazard reduction work or disturbing lead-based paint to have the appropriate certifications.

### d) HOME Unit Inspections

The one federal HOME-funded rental project completed during this reporting period was Avenida Apartments, and this project has been subject to one on-site monitoring and review. The City has an annual inspection program for state HOME-funded units which include Walker Commons, Campbell Commons, Cameo Court and the Esplanade House.

The inspections and monitoring visits conducted in 2008-09 found no material concerns.

### e) Private Sector Leveraging

The City encouraged Private Sector participation in all 2008-2009 HOME-funded activities. All construction contracts for the HOME-funded housing rehabilitation program are made available to private sector contractors. The Mortgage Subsidy Program utilizes private mortgage lenders and owner participation in the acquisition of single family homes.

The Tenant-Based Rental Assistance Program provided assistance and security deposit grants for "at risk" tenants. The City works in cooperation with private non-profit service providers to implement the program.

f) Community Housing Development Organizations (CHDO)

Currently, there are two eligible CHDOs in the Chico area. The City has designated Community Housing Improvement Program (CHIP) and the Community Action Agency of Butte County as eligible CHDOs for participation in the HOME program.

g) Affirmative Marketing

During this reporting period the City continued to follow Affirmative Marketing Strategies for all housing projects. All projects and programs are available to all citizens. Information is made available through public meetings, newspapers, brochures, television and radio.

Pursuant to 24. CFR 92.351 affirmative marketing procedures are required for HOME-assisted housing projects containing 5 or more housing units. The Avenida Apartments project complied with these requirements and is fully leased-up.

The City has an active Fair Housing Program to inform the public, owners, and tenants about Fair Housing Law. HOME and CDBG funded projects and programs are marketed through the commercial media with the use of the Equal Housing Opportunity logo.

h) Minority Outreach

The City has made an effort to procure construction bids from minority and women owned businesses for public improvement projects and housing rehabilitation projects. All bids are procured through the regional contractors exchange which includes minority and women owned businesses. The Mortgage Subsidy Program is marketed to all sectors of the population.

i) Displacement

The City has not displaced any tenants as a result of any projects assisted under the HOME program.

j.) Economic Development/Rehab Loans

No economic development loans were made in the program year.

Information on Housing Rehabilitation loans is available in the previous section and in the appended IDIS reports.

k.) Other Actions

During the 2008-2009 program year the City took the following actions to meet the community's needs:

- **Coordination - Public Housing** The City continued to work with the Housing Authority of the County of Butte (HACB) and other private housing and social service agencies in order to foster public housing improvements and resident initiatives. The Housing Authority continued to work with a local architectural firm to re-evaluate the buildings discussed in their Comprehensive Plan. The Housing Authority continued to renovate buildings as part of their Plan during the year.
- **Serving Underserved Needs** The City is an active participant in the Greater Chico Homeless Task Force to plan for the needs of homeless families and individuals and those at risk of homelessness. The City also undertook a major outreach effort to the community with the update of the City's Housing Element. This included 2 stakeholder's meetings in which the community was invited to come and share their thoughts and personal experiences regarding gaps in housing availability and services, and the most effective programs to meet those needs. There was also a series of four educational symposia on affordable housing strategies, including a local housing trust fund, inclusionary zoning, land trusts, and employer-assisted housing. A special workshop was conducted with tenants currently living in affordable housing units. The information gathered was used to formulate strategies, policies and programs in the updated Housing Element, which was adopted by the City Council in August 2009.
- **Barriers to Affordable Housing** The City continued to implement the Housing Element of its General Plan and completed the 2009 Housing Element update in August 2009, with its final adoption by Council. The existing Housing Element contains several policy statements and programs to overcome barriers to affordable housing. With the updated Housing Element, a number of new strategies will be implemented to address a

number of on-going barriers, such as inadequate funding to meet affordable housing needs (Housing Trust Fund), and ways to more fully integrate affordable housing throughout the community (Inclusionary Ordinance).

- **Foster and Maintain Affordable Housing** The City continued to operate the Tenant-Based Rental Assistance program with a consortium of housing and social service providers. The Program provides rental assistance to very low-income families that are participating in self-sufficiency programs. As described earlier the City has an active housing production program which includes regulatory agreements and on-going monitoring for continued affordability. The City monitors the status of units at risk of conversion to market rate and works with local housing developers to plan for acquisition and rehabilitation of such projects. One of the potential strategies considered in the Housing Element update was the establishment of Community Land Trusts to maintain long-term affordability. While this strategy did not garner a large amount of interest or support, the City will work with any group interested in forming such a land trust in the future.
- **Overcoming Gaps In Institutional Structure** The City continues to work with non-profit groups to improve the organizational capacity of housing and service organizations. The City is interested in developing more Community Housing Development Organizations (CHDOs), and is also interested in pursuing designation of Community Based Development Organizations (CBDOS) to assist the City with neighborhood revitalization and other appropriate and eligible projects. Chico is somewhat limited due to its geographic isolation, but we believe that we can develop more capacity in the coming years to address any unprovided or underserved needs.
- **Compliance and Monitoring** The City's Housing & Neighborhood Services Department is responsible for monitoring the continued affordability of projects assisted by the City and/or the Redevelopment Agency. Assisted projects submit annual reports and certifications of occupancy which document household size and annual income. The affordability restrictions are a minimum of 30 years for HOME-funded projects and in most cases the period has been 55 years, due to the involvement of RDA funds and/or tax credits.

Home ownership assistance is monitored annually for occupancy by the assisted family. Home ownership assistance is re-captured in the event of sale, transfer or rental of the property.

The City is required to submit an annual Consolidated Annual Performance and Evaluation Report to HUD for its CDBG and HOME grant. In addition, the City is required by HUD to submit a five-year Consolidated Plan and an Annual Plan for all proposed activities.

The Redevelopment Agency must submit an annual housing assistance report to the State Department of Housing and Community Development and it must comply with an Affordable Housing Plan which has ten year goals and objectives for the Agency to maintain compliance with its housing production requirements.

## VIII. SELF-EVALUATION

As summarized in "Section I" the City made significant progress towards meeting the goals of the Consolidated Plan. An evaluation of the City's actions by need area follows.

### Planning and Program Administration

The City has continued to adequately provide for the general administration, planning and oversight of CDBG and HOME-funded activities. No specific goals were set in the annual plan.

The City is beginning its planning effort for the next Consolidated Plan in the 2009-10 program year. The City must take all necessary steps to ensure that the Consolidated Plan meets the requirements of the new Consolidated Plan final rule. We must ensure that the Consolidated Plan provides the City with a planning and performance assessment framework that is rigorous and specific enough to assist the City to meet HUD's expectations in light of the HUD CPD performance measurement initiative. An important component of the update will be a community needs assessment to focus funding to those programs and activities that will address Chico's most urgent housing and community development needs, pursuant to the CDBG and HOME regulations.

### Equal Housing Opportunity

The City has continued to fund both general education regarding fair housing as well as targeted assistance to low-income persons.

### Housing

In its fourth year of its five-year Consolidated Plan the City's housing production is well on-target to meet most of its five-year goals. The noticeable exceptions are home ownership development and single-room-occupancy housing. The rapid appreciation in land values in recent years has led the City to wait on single-family affordable development until prices stabilize. However, plans are in place for two sweat equity single family home ownership projects ready to get off the ground in 2009. These projects will be sponsored by Community Housing Improvement Program (CHIP) and Habitat for Humanity. We also plan to work with a private-developer on a two-house infill project targeting moderate income homeowners. Single-room occupancy housing projects have also fallen prey to rapid appreciation in land values and the lack of appropriate sites for such housing. Working on this area is also a focus of the Housing Element update.

The first-time home buyer program continued its increased activity in 2008-09. With the changes in the housing market combined with an increase in the RDA subsidy amounts made available to households during the year, the City/RDA provided 36 households with downpayment assistance loans in 2008-09, compared to 44 loans in 2007-08 and only 9 loans in 2006-07. These factors have significantly boosted the use of the program again and are contributing to the City's goal of increasing home ownership opportunities for low-moderate income households.

The City expects our Housing Rehabilitation program to become a larger part of our overall housing strategy. With the City's aging and deteriorating housing stock, and high percentage of rentals (due to the student population), it is likely that increasing resources will be directed to this area. The City may also explore focusing housing rehabilitation to geographic target areas, perhaps in conjunction with a Neighborhood Revitalization Strategy Area(s).

The credit and home purchase counseling program helps families and individuals to effectively manage their credit and prepare to purchase a home. This program is part of the City's effort to prevent default within its Mortgage Subsidy Program as well as to generally assist low and moderate income households to maintain their credit and avoid default on home loans. It has proven to be effective.

The Rental Housing Accessibility Program provides essential modifications to the homes rented by disabled persons. This program meets a need that the Housing Rehabilitation Program (HRP) cannot. The HRP is structured to provide assistance to owner-occupants and is intended to handle much more significant repairs.

### Homelessness

The City's multi-faceted collaborative approach has dramatically increased the City's (and the county's) capacity to meet the needs of the homeless. The City has also made adequate progress towards achieving the Consolidated Plan's five-year goals for homelessness. Two exciting developments are the successful funding and hiring of a part-time Continuum of Care Coordinator and the successful development of a drop-in day center, to be operated by Club Stairways, for persons experiencing mental illness.

The Tenant-Based Rental Assistance program assisted 38 households. The collaboration with the Housing Authority of the County of Butte has proven to be highly effective, and the City is continuing to work with them to improve the program and target families enrolled in self-sufficiency programs.

The Torres Shelter has been in operation for 5 years. With a new project in 2008-09, the Torres Shelter will increase its capacity to shelter families and be able to provide health examinations and private counseling among other services.

The City has worked with Caminar to create a special needs housing facility (Avenida Apartments) for persons who previously were homeless, and is continuing to work with Catalyst Women's Services to construct a new shelter for victims of domestic violence. This project began construction in May 2009 and should be finished by Spring 2010.

The Greater Chico Homeless Task Force has continued to develop and increase its capacity. It has implemented an HMIS system and during the program year, secured a record amount of funding for the homeless of our community. The Task Force has continued to broaden its membership and diversify its efforts and helped to launch the newly re-organized Countywide Continuum of Care.

#### Non-housing Community Development

Public services funded a broad range of services that benefited low-income persons and special needs populations. Although there is little doubt that services were provided as intended (the City audits each sub-recipient annually) the quality of the beneficiary information received from the recipients of CDBG and HOME funds varies greatly. A standardized reporting system and format would greatly benefit the system overall. In addition, given the limited funding available in this category, it will be imperative for the City to undertake a comprehensive community needs assessment as part of the preparation of the new Consolidated Plan, and to ensure that funds are directed to the most urgent community needs.

The City provided a significant amount of support to community non-profits to improve their facilities during 2008-09. With grants provided to the Peg Taylor Center, Children's Community Center, and Stairways Clubhouse, these organizations can continue to provide quality services to low-income individuals and families in a safe and healthy setting.

#### Economic Development

Over the past few years the City has reduced the role of CDBG in supporting economic development activities. A greater reliance has been placed on local tourism tax and redevelopment revenues, especially in light of the CDBG limitations when considering economic development activities.

With the ever-increasing demand for other CDBG-eligible services, the City will need to assess whether or not to continue to use CDBG for economic development. If the City is able to pursue working with an eligible CBDO, it may be appropriate to consider a neighborhood-based economic development program under that umbrella.

## **IX. AFFIRMATIVELY FURTHERING FAIR HOUSING**

The City of Chico's Analysis of Impediments (AI) included five recommendations summarized as follows:

- a) promote education on Fair Housing;
- b) continue to fund Legal Services of Northern California;
- c) educate members of North Valley Property Owners' Association and Chico Board of Realtors on Fair Housing issues;
- d) update the Fair Housing pamphlet and;
- e) continue to gather data on Fair Housing issues and monitor Fair Housing issues in Chico.

The City has pro-actively funded Fair Housing education for community members and housing professionals. City staff has provided many referrals on Fair Housing and tenants' rights to the appropriate agencies. In addition, the City has monitored Fair Housing practices in City and Redevelopment Agency-funded housing projects.

In accordance with the recommendations in the City's Analysis of Impediments to Fair Housing Choice the City continues to provide referrals and education on Fair Housing through non-profit agencies. During this reporting period the City sponsored two educational seminars on Fair Housing for landlords and tenants. The workshops have been well attended. The attendees are provided with updated brochures on Fair Housing and tenants' rights. The City has contracted with two organizations to conduct Fair Housing Seminars, Legal Services of Northern California and North Valley Property Owner's Association.

#### Legal Services of Northern California (LSNC)

Legal Services has a branch office in Chico where they provide advice, referral and direct legal representation to low-income City residents and groups in non-fee generating civil cases. The Chico office has three attorneys, three paralegals and four support staff members. Legal Services also provides a large amount of community education. The City of Chico cooperates with Legal Services by providing public services funding for direct client assistance and funding for their Fair Housing educational programs. The focus of the educational programs is on tenants.

Legal Services and City staff market the Fair Housing Seminars extensively through direct mailing to community groups, tenant groups, government organizations and newspaper advertisements.

The seminars are usually conducted in neighborhood centers in the early evening in an informal setting. Landlords are welcome to attend the seminars to learn about Fair Housing Laws from the perspective of the tenant. The seminars are usually two hours long with ample time for one on one questions with the Legal Services attorneys. Legal Services attempts to highlight a different Fair Housing issue during each seminar such as the Americans with Disabilities Act and addressing housing problems within the Hmong community. Interpreters are provided for non-English speaking persons. Housing & Neighborhood Services staff attends all of the seminars to provide information on City services and City regulations. Legal Services also provides Fair Housing training to non-profit agencies that are operating housing programs.

North Valley Property Owners Association (NVPOA)

NVPOA is a member of the California Housing Providers Coalition. NVPOA represents 13,000 rental units in the North Valley, most of which are located in the Chico Urban area. NVPOA represents owners of over 60% of the apartments in Chico. NVPOA has an ongoing educational program to provide landlords with updated information on the changes in laws that affect the rental industry. The City provides funding each year for educational programs that focus on Fair Housing Law and Landlord Tenant relationships. Many property owners require their resident managers to attend the seminars in order to keep them current on changes in the laws. The seminars are usually held at the City Council Chamber in the early evening. The subject matter of the seminars varies for each meeting. Last year, during Fair Housing Month, NVPOA conducted a Fair Housing training emphasizing tolerance and diversity in property management. Housing & Neighborhood Services staff communicates with NVPOA throughout the year regarding tenant/landlord and Fair Housing issues.