



COMMUNITY INFORMATION WORKSHOP

CITY OF CHICO - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
AND HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM

- JANUARY 12, 2023, 6:00 p.m.
- Virtual meeting link here: <https://chico.ca.us/housing-division>

This information can be translated into either Spanish or Hmong, contact:

Este felleto informativo se puede pidir en Espanol. Favor de llamar or escribir:

Cov ntaub ntawv no tuaj yeem txhais ua lus Hmoob, hu rau:

City of Chico

Community Development Department—Housing Division

P.O. Box 3420, Chico, CA 95927

411 Main Street, Chico, CA 95928

530-879-6300

Welcome to the workshop!

The City receives an annual award of community development and housing funds from the federal department of Housing and Urban Development (HUD). Each year the City must submit an annual “Action Plan” to HUD describing the City’s plans for using these funds in the upcoming year (July 1, 2023 – June 30, 2024).

As part of this annual planning process, the City solicits public input. This workshop is part of this public planning process.

The goals of this workshop are:

- To educate the general public about the nature of these funds;
- To describe the past use of funds;
- To describe the potential uses of these funds in program year;
- To make the public aware of opportunities to participate in the planning process; and
- To solicit public participation.

CDBG and HOME funds

The City of Chico receives funds directly from the federal Department of Housing and Urban Development (HUD) through both the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs. The City is considered an entitlement grantee, which means that we receive the funds based upon a formula developed by Congress for each program which is intended to distribute funds equitably based upon need in each community. While the actual mechanics of the formula calculations are somewhat complicated, the factors that are considered in each formula are as follows:

CDBG: Population, poverty rates, overcrowding conditions, pre-1940 housing units and growth lag of the area;

HOME: Rental units where household is at or below poverty level; rental units that are overcrowded, have incomplete kitchen facilities, incomplete plumbing, or high rental costs; rental units built before 1950 occupied by households in poverty; poverty level; population multiplied by net per capita income.

CDBG Program Description:

The Community Development Block Grant or “CDBG” program was enacted through the Housing and Community Development Act of 1974. It is designed to allow local government, with citizen input, to fund projects and programs that best address a community’s needs. The purpose of the program is to improve the community’s quality of life with benefits directed at lower income households and low-income neighborhoods. The rules that govern CDBG funds permit the use of funds to address a variety of needs.

Examples of eligible uses include:

- Housing Assistance (both rental and homeownership, but not new construction)
- Public Infrastructure (street, sewer, storm drainage improvements)
- Public Services (the Community Organization assistance program)
- Community Facilities (the acquisition or rehabilitation of facilities that provide community benefit and are owned by a non-profit or a public agency)
- Economic Development (business loans and counseling)
- Community Development (Code enforcement, planning studies, and historic preservation)

HOME Program Description:

The Home Investment Partnerships or “HOME” program was created through the National Affordable Housing Act of 1990. Funds must be used for affordable housing activities. Eligible housing activities include new construction of rental or owner housing, housing rehabilitation, rental assistance, transitional housing and mortgage subsidy. All HOME-funded programs and projects must benefit low- and very-low income families.

Examples of eligible uses include:

- Construction of new affordable housing;
- Rehabilitation of existing housing;
- Rental assistance;
- Mortgage assistance.

Program administration

Both programs allow a portion of the grant funds to be used by the City for the administration of the CDBG and HOME programs, and to support eligible activities. No more than 20% of CDBG funds and 10% of HOME funds may be used for administration. There are extensive oversight and reporting requirements associated with both of these programs, and these costs are charged to this administration category.

Reserves, caps, and local match

The CDBG and HOME programs have other specific requirements that restrict the use of funds as well as a requirement that recipients provide matching funds

- CDBG limits expenditures for public services (as defined under CDBG rules) to 15%.
- HOME requires that at least 15% of funds be reserved to be used by specially chartered non-profit agencies called Community Housing Development Organizations or “CHDOs.”
- HOME requires that the City of Chico distribute HOME funds geographically within its boundaries and among different categories of housing needs according to priorities identified in its approved Consolidated Plan.

Other restrictions

These programs also have other miscellaneous restrictions that may impact the ability of the City to use funds for a specific project. HUD requires the City to describe each planned project in its annual Action Plan and tell HUD how it meets program requirements. City of Chico staff evaluates each proposed activity for program eligibility as part of the planning process. City staff must monitor the use of funds to assure compliance. Funds are awarded to other agencies on the condition that they also comply with program requirements.

The Consolidated Planning Process and Citizen Participation

In order to receive the funds described above, the City is required, every 5 years, to develop what is called a “Consolidated Plan.” This plan is intended to address housing and community development needs for our community over an identified 5-year period, using all HUD entitlement funds for which the City is eligible. The City is currently operating under an approved plan for the period 2020-2024. A copy of the Consolidated Plan may be downloaded from the City’s website at: <https://chico.ca.us/sites/main/files/file-attachments/draft2020-2024conplanrv.pdf?1598997537>.

This planning process also requires that each year the City submit an “Annual Action Plan” for the upcoming fiscal year which discusses how the 5-year plan will be carried out during this timeframe, with a description of specific activities to be funded. The City is beginning to undertake the planning process for the development of the **2023-2024 Annual Action Plan**, which will be in effect from July 1, 2023 to June 30, 2024. This community meeting is the beginning of the public outreach associated with this planning process. The attached schedule outlines the dates and times of upcoming public meetings and public notices associated with the Annual Plan. The public is encouraged to attend the meetings of the CDBG-Citizen’s Advisory Committee and the City Council to speak on the use of these funds, as well as to submit written comments. Please note that meeting times and places are subject to change. To confirm, please check the City Council’s published calendar and the City’s message boards or call the City Clerk’s Office at 530-896-7250. Persons interested in attending meetings who require interpretive assistance (for example, the hearing impaired or non-English speaking) or who require a disability-related accommodation to participate in the planning process should notify the City Clerk at least three working days prior to the meeting date to allow the City time to make the appropriate arrangements.

Throughout the planning process, updates and information will be posted on our website at: <https://chico.ca.us/housing-division>

You may also obtain information or provide comments, Monday through Friday, 8:00 a.m. to 5:00 p.m. by calling or emailing our department:

City of Chico Housing Program

Community Development Department—Housing Division

411 Main St, Chico - 2nd Floor

530-879-6300 (*TDD users please call the California Relay Service TDD Access Number (866) 660-4288*)

cityhousing@chicoca.gov

Staff:

Marie Demers, Housing Manager

MaryJo Alonzo, Housing Program Analyst

Jamie Hernandez, Administrative Specialist

Please provide written comments to the address listed above, Attention: 2023-2024 Annual HUD Plan.

Funding:

The funding for these two entitlement programs normally fluctuates from year to year, in an overall “up and down” cycle, due to changes in census data and the budget priorities of each respective Federal administration and Congress. The City has not been notified of funding for the 2023-24 program year. The 2022-2023 allocation was as follows: \$879,360 for CDBG and \$581,640 for HOME.

City staff will be developing a draft proposed budget based upon these allocations; this draft will be available on April 1, 2023 and will be discussed at the April 4th and May 2nd Council Meetings. In addition to the line-item

budget, staff will prepare an annual submission for HUD that will include discussion of the annual use of funds as it relates to the requirements of the CDBG and HOME programs, as well as providing technical background information that will be used by HUD to evaluate the City's Annual Plan.

History of CDBG and HOME funding

As mentioned above, the City of Chico's annual award of CDBG and HOME funds varies from year to year. The total amount allocated by the US Congress to the CDBG and HOME programs is divided up between all the eligible jurisdictions in the US (cities, counties and states) by applying formulas that attempt to distribute funds according to need. Factors such as population, poverty and housing conditions are used to determine the annual "entitlement" amount. The chart below summarizes the annual awards made to the City of Chico for the last twelve years.

Year	CDBG Entitlement	HOME Entitlement
2011/12	873,090	721,757
2012/13	769,020	486,382
2013/14	764,374	271,230*
2014/15	739,228	267,246*
2015/16	728,038	368,659
2016/17	713,253	398,906
2017/18	735,702	389,578
2018/19	830,836	541,376
2019/20	834,220	491,240
2020/21	871,059	543,897
2021/22	923,294	532,834
2022/23	879,360	581,640

* Voluntary Reduction in lieu of repayment of funds

Historical Use of CDBG and HOME Funds

Examples of historic uses of CDBG funds are:

- Subsidized childcare for low-income families
- Meals-on-Wheels Service for elderly and home-bound residents
- Legal assistance for low-income individuals
- Code Enforcement in low-income areas
- Domestic Violence Shelter and Homeless Shelter operations
- Infrastructure in low-income neighborhoods: storm drainage, sewers, sidewalks, street lighting
- Accessibility improvements in rental housing for the disabled
- Housing Rehabilitation including sewer connection grants in Nitrate and non-Nitrate Compliance Areas
- Facilities improvements for non-profits providing public services
- Fair Housing Workshops and Counseling Services (mandated by HUD regulations)
- Pre-development activities for Affordable Housing Developments

Examples of historic uses of HOME funds are:

- Tenant Based Rental Assistance for families participating in Self-Sufficiency programs
- Housing Rehabilitation Loans for low-income homeowners
- Senior Housing (1200 Park Avenue, Creekside Place)
- Special Needs-SRO (Avenida Apartments, Campbell Commons, Valley View Apartments, 1297 Park)
- Affordable Family Housing (Esplanade House, North Point Apartments, North Creek Crossings)
- Self-Help Housing (Habitat for Humanity and CHIP)
- Mortgage Subsidy for First-Time Homebuyers

Planned Use of CDBG and HOME Funds in 2023-2024:

At this time, staff anticipates that activities in the following eligible categories are likely to be funded:

CDBG: Public services, fair housing, code enforcement, activities in support of affordable housing, sewer laterals, economic development assistance for low-income business owners, and program administration.

HOME: Tenant Based Rental Assistance, self-help housing construction and program administration.

As mentioned earlier, a proposed draft budget will be available for public review beginning April 1 and will be discussed at the City Council meetings on April 4 and May 2, 2023.

Interested in More Information?

The Housing & Urban Development Department's website contains a wealth of information about both the CDBG and HOME programs. Here, you can read the laws, regulations and policy guidance that govern the two programs. This information may be accessed via the following links:

CDBG: <https://www.hudexchange.info/community-development/cdbg-laws-and-regulations/>

HOME: <https://www.hudexchange.info/programs/home/home-laws-and-regulations/>

Información en Español:

1 (800) 685-8470 es el número del Centro Nacional de Intercambio Multifamiliar de HUD
1 (800) 669-9777 es el número que debe llamar si cree que ha sido discriminado, o desea obtener mas información sobre lo que constituye discriminación en la vivienda 1 (800) 569-4287 es el número donde puede localizar una agencia local de asesoramiento sobre viviendas aprobada por HUD 1 (800) 767-7468 es el numero para pedir publicaciones de HUD en Español.

