

DATE: April 6, 2010
TO: Mayor and City Council
FROM: Library and Community Services Director
SUBJECT: FY 2010-14 Five-Year Consolidated Plan and
FY 2010-11 Community Development Block Grant (CDBG) Funding Recommendations

RECOMMENDATION

That Council reads and comments on this report.

SUMMARY

FY 2010-14 Five-Year Consolidated Plan: Once every five years the City is required to submit its Five-Year “Consolidated Plan” to the federal Department of Housing and Urban Development (HUD). The City’s “Consolidated Plan” includes citywide housing and community development needs assessment, and an inventory of resources (including HOME and CDBG funds) available to address those needs. Hayward’s “Consolidated Plan” is integrated with, and complements the efforts of, the other Alameda County jurisdictions that collectively comprise the HOME Consortium.

FY 2010-11 Community Development Block Grant (CDBG) Allocations: During FY 2011, the City will administer CDBG funds received from HUD. The City is an “Entitlement” CDBG grantee, and as such, funding is provided annually upon HUD’s approval of the Council’s CDBG allocations, which form the substantive portion of the City’s Annual One-Year Action Plan. Total CDBG funding available to support eligible projects in FY 2011 is projected to be approximately \$1,325,000, and Citizen’s Advisory Committee (CAC) and staff Funding Recommendations for these funds are included with this report as Attachment B. An Applicant Summaries packet is included with this report as Attachment D.

BACKGROUND

FY 2010-14 Five-Year Consolidated Plan: The Consolidated Plan’s Executive Summary is attached to this report for Council’s review and comment.

The Consolidated Plan incorporates data from the City's Housing Element, recent U.S. Census Data, data from the most recent Analysis of Impediments to Fair Housing, an analysis of the quantity and condition of the City's housing stock, Association of Bay Area Governments (ABAG) projections, related challenges (such as the foreclosure crisis), and local data available from the December 2009 update to the Alameda County Homeless Count and Survey. The City's Consolidated Plan includes citywide housing and community development needs assessments, and an inventory of resources (including HOME and CDBG funds) available to address those needs.

A notice of the April 20, 2010 HUD-required public hearing on the Consolidated Plan was published in *The Daily Review* on March 20, 2010 and comments are being accepted from that date through the date of the Public Hearing. No comments on the Consolidated Plan have been received.

FY 2010-11 Community Development Block Grant (CDBG) Allocations: The City's FY 2011 CDBG Funding Process was conducted in a manner that was generally consistent with prior years' funding cycles and in compliance with the City's Citizen Participation Plan. On November 19, 2009, the City conducted its CDBG Funding Forum and released its application for funding.

At the Funding Forum, applicants received an orientation to CDBG funding. This orientation included an explanation of the purpose and limitations of the CDBG program, advisories that up to 15% of CDBG funds may be used for Public Services, and that it is Council's policy to utilize Public Services funding to support exclusively *housing-related* social services for low-income Hayward residents. Applicants were informed about the City's Social Services Program, which is funded by the City's General Fund, and provides grants to support other types of community services that are outside the parameters of the CDBG program.

Application Packages included the *City Council Priorities*, the *Neighborhood Services Initiative*, and a brief orientation to *Crime Prevention through Environmental Design* (CPTED) principles. Applicants were asked to articulate how the services proposed would support one or more of HUD's Performance Measures, and this year the application was refined to elicit each applicant's exact service delivery site so that each program's location could be clearly understood and factored into the CAC's recommendations.

Thirty-five CDBG applications were submitted by the December 21, 2009 deadline, totaling \$3,456,047 in funds requested. There were no late applications submitted. Copies of the applications were distributed to members of the CAC. The CAC analyzed all the applications received and appointed an Application Review Committee to interview representatives from the applicant agencies.

On Saturday, February 13, 2010, members of the Application Review Committee interviewed each of the applicants. The interviews provided an opportunity for Commissioners to review each of the proposed projects and to gain insight into each applicant's capacity for carrying out the proposed activities.

At its Regular Meeting on Wednesday, February 17, 2010, the CAC established "draft" FY 2011 CDBG Funding Recommendations. One month later, on Wednesday, March 17, 2010, at the completion of a thirty-day Public Comment period, the CAC convened to finalize its Funding Recommendations and voted to forward them to City Council for consideration.

On Friday, March 19, 2010, a notice was published in the Daily Review newspaper, to announce that City Council will conduct a Public Hearing on Tuesday, April 20, 2010, during which Council will make its FY 2011 CDBG allocations.

DISCUSSION

All of the applications submitted proposed to support at least one City Council Priority, and all proposed to serve low-income, Hayward residents. Attachment C provides a graphic of the CAC's CDBG Funding Recommendations, sorted according to City Council Priority.

The Hayward community is challenged by prolonged and difficult economic circumstances including high rates of home foreclosures and the ongoing local implications of the State's budget crisis. In the Public Services Category, priority was given to homeless shelters, fair housing activities, and foreclosure counseling and mitigation services. Federal regulations allow up to 15% of available funds to be allocated in that category; projects recommended for funding in that category total \$276,000.

Attachment A provides the CAC and staff's FY 2011 CDBG Funding Recommendations, which are in agreement with each other. This year, in consideration of the unprecedented amount of funding requested, and in order to facilitate Strategic Planning in joint sessions with the Human Services Commission during FY 2011, the CAC tentatively identified the projects from the current round of applications that may be recommended for funding in FY 2012 (Attachment B, page two of two, "FY 2011-12 Funding Considerations").

Although the FY 2012 funding process will be modified, it will nonetheless adhere to and meet HUD's public participation standards and the requirements outlined in the City's Citizen Participation Plan. The CAC will review and determine its FY 2012 CDBG Funding Recommendations for City Council per the FY 2012 CDBG Funding Process Calendar, to be determined and publicly noticed in October 2010.

Regarding the applications for which funding is not recommended in FY 2011:

#3: Eden Housing / South Hayward BART Senior Housing (\$350,000 requested): Although it was acknowledged that the current number of local affordable senior housing units is inadequate to meet the rising need for such units, the CAC did not recommend funding for this proposal. Supplemental materials provided by the applicant indicated that when the project is projected to be complete two years hence, rents for the one-bedroom units would be in the range of \$800-1,100 per month, which seemed to Commissioners to be relatively un-affordable for many seniors. Commissioners noted there is a need for housing that would be affordable to seniors with incomes below the 30% AMI.

#4: Eden Housing / Las Casitas (\$350,000 requested): The CAC did not recommend funding for this sixty-unit project because the overall cost of the project seemed unreasonably high. The property is currently in pre-foreclosure, and it was thought that by waiting for the property to go into foreclosure, it could be acquired at a more affordable price. Staff consulted with the City's Redevelopment Director, who concurred. The CAC also considered the cost per unit to rehabilitate the units (approximately \$35,000 per unit) to be relatively high as well.#5: Bay Area Dream Center (\$50,000 requested): This project, which is

located in the Cherryland neighborhood outside the City limits, is located in close proximity to a similar type of program (Hope for the Heart, which also distributes food), raising some concern about duplication in services. It was not certain that the County of Alameda would approve an amendment to the applicant's (expired) use permit, to allow for food distribution activities. For these reasons, funding was not recommended.

#9: FESCO (\$12,000 requested): This applicant proposed an earthquake retrofit project for the agency's family shelter, located at 3rd and C Streets. It has been the City's practice to decline to fund nonprofit retrofit projects because there have been no guidelines for prioritizing which types of facilities should (or shouldn't) receive allocations from the City's limited resources. It was proposed that the CAC take up the subject of earthquake retrofit guidelines/priorities during its strategic planning in FY 2011 and this project be reconsidered for possible funding in FY 2012.

#11: Hope for the Heart (\$197,000 requested): This applicant requested funding to rebuild its warehouse, which was destroyed by a fire in 2008. The property, which is located outside the Hayward City limits, is not owned by the agency but rather by a family member of the agency's executive director. Although there is a fifty-year lease to secure the property for the agency's use, it has been the City's practice to decline to fund projects that permanently improve a commercial landlord's property (with the exception of ADA accessibility projects). Due to this, and the property's location outside of Hayward, the CAC did not recommend funding for this project.

#12: Seventh Step Foundation (\$23,000 requested): This applicant requested funds to remodel the kitchen at its thirty-two-bed shelter for adult male parolees. As the City has provided funding for this agency's rehabilitation projects several times in recent years, and in consideration of agency's own cash reserves, the CAC declined to recommend funding for the project at the current time, and encouraged the applicant to apply for funding from adjacent jurisdictions to undertake the kitchen project. Should the applicant compete successfully for funds from the adjacent jurisdictions, and should funds be necessary in order to complete the kitchen remodel, the CAC and/or staff may reconsider recommending the project for FY 2012 CDBG funding.

#15: A Safe Place (\$64,370 requested): This applicant is a domestic violence shelter confidentially located in Oakland. Although it is understood that residents of Hayward who are victims of domestic violence sometimes relocate for their own safety to other jurisdictions, the applicant did not demonstrate clearly in its application or in its interview, how the requested amount (\$64,370) was calculated. Given this ambiguity, and applicant's location in Oakland, the CAC did not recommend funding for this program.

#19: Carnales Unidos Reformando Adictos (CURA) (\$50,000 requested): CURA's residential drug and alcohol treatment facilities are located in Fremont and Oakland, and this application proposes to acquire housing in Fremont to operate clean and sober transitional housing. Although the number of individuals who could benefit from sober housing opportunities exceeds the availability of such units, the CAC rarely recommends funding for acquisition projects that are located outside of Hayward, and in consideration of the CAC's recommendations to provide funding for two similar programs that are physically more proximate to Hayward residents (Women on the Way and Seventh Step Foundation), it did not recommend funding for this project.

#27: Salvation Army (\$8,000 requested): This application requests funding to purchase and install a convection oven to augment the applicant's food distribution and hot meal programs. During the application process, it was learned that a local community group has offered to complete this project, eliminating the need for a CDBG grant from the City. Also, the Human Services Commission has recommended to City Council that a \$5,000 Social Services grant be made to support the Salvation Army's operations. With these developments in mind, the CAC did not to recommend funding for this project.

#29: Seventh Step Foundation (\$10,800 requested): This applicant submitted two applications for Public Services funding: one to support the activities of a part-time job developer (#28), and this one (#29), for the purchase of food for served meals at the shelter. The CAC felt that job readiness and placement assistance would better serve the long-term needs of the program's clients and the Hayward community, and did not to recommend funding for this served meals application.

FISCAL IMPACT

The CDBG Program does not have a negative impact on the City's General Fund, as a portion of CDBG funds may be used to pay for administration of the grants by City staff, including federal environmental review, contracting, Labor Standards monitoring, lead-based paint compliance, procurement of contractors, site inspections, financial management, and federal reporting. The total amount of CDBG funds recommended for allocation in this report is \$1,320,830.

PUBLIC CONTACT

A Public Notice was published on Saturday, October 17, 2009, announcing the availability of funds for CDBG projects. During that week, paper copies of the Public Notice were mailed to currently funded agencies, previously funded agencies, applicants from previous years, and everyone on the CDBG and Social Services mailing list (several hundred individuals and local agencies). The CDBG Application Package was available to the community electronically on the City's website.

All funding deliberations took place at properly noticed CAC meetings that were open to the public. These meetings took place on February 17, 2010 and March 17, 2010. The weeks in between these meetings constituted a thirty-day Public Comment period, during which members of the public, including applicants, could submit their comments regarding the funding process or the Funding Recommendations. At the March 17, 2010, Citizens Advisory Commission meeting, there were eleven community members in attendance who signed the Visitors' Sign-In Sheet, and two comments presented:

- Gabriel Hernandez, Executive Director of the Hayward Day Labor Center, submitted a letter of support for his agency's application, from the Alameda Labor Council, AFL-CIO (attached). In attendance with Mr. Hernandez were Carla Darden, Gregorio Blas, Efren Bamaca, Helfego Revolorio, and Micah Clatterbaugh.
- Gregorio Blas, an enrolled day laborer, speaking with the assistance of an interpreter, voiced his support for the Day Labor Center's application, the job placement activities the Center provides, and the ancillary services offered.

The following people were in attendance, but did not speak:

- Dave McKeown, Executive Director at the Eden Youth and Family Center
- Ron Gillette, Executive Director of Women on the Way.
- Shannon Ellis, representing the Family Violence Law Center.
- Maria Valencia, representing the Seventh Step Foundation.
- Omar Bocobo, representing the East Bay Community Recovery Project.

A Public Notice of the City Council's April 20, 2010 Public Hearing was published in the Daily Review newspaper on Saturday, March 20, 2010.

NEXT STEPS

Council will conduct a Public Hearing on Tuesday, April 20, 2010, at which it will approve 1) the City's FY 2010-14 Five-Year Consolidated Plan, and 2) make its FY 2011 CDBG Allocations, which will form the substantive portion of the City's FY 2011 One-Year Action Plan.

Prepared by: Anne Culver, Social Services Planning Manager

Recommended by: Sean Reinhart, Director, Library and Community Services Department

Approved by:



Fran David, Acting City Manager

Attachments:

Attachment A: FY 2010-14 Five Year Consolidated Plan – Executive Summary

Attachment B: CAC's and Staff's FY 2011 CDBG Funding Recommendations

Attachment C: CAC's and Staff's CDBG Funding Recommendations Sorted by City Council Priority

Attachment D: Summary of Each CDBG Application



Alameda Labor Council, AFL-CIO

To: Honorable Michael Sweeney, Mayor, City of Hayward; and Council Members Olden Henson, Kevin Dowling, Barbara Halliday, Bill Quirk, Anna May, Francisco Zermefio
cc: Greg Jones, City Manager; Dianne McDermott, Citizens Advisory Commission Chairperson; Betty DeForest, South Hayward Parish
From: Sharon Cornu, Executive Secretary-Treasurer
Re: **Support for the Hayward Day Labor Center's Request for Community Development Block Grant Funding**
Date: January 11, 2010

Dear Mayor Sweeney and Honorable Councilmembers:

On behalf of more than 100 local unions and 100,000 union members in the East Bay, we respectfully request your consideration and support for the Hayward Day Labor Center's request for CDBG funding for the upcoming FY 2010-11.

One of the Labor Council's core responsibilities is to improve the working conditions and protect the rights of organized and unorganized workers within Alameda County. We try to develop and foster relationships with associations, organizations, and worker groups that strive to improve working conditions in a community. The Hayward Day Labor Center is a leader among these organizations.

We supported the creation of a day labor center in Hayward. In the two and a half years since the Center opened, its programs have grown to include job development and creation; worker job skills and safety trainings; employer safety and labor law trainings; English and literacy education; wage claim enforcement; immigration rights trainings; health services; gardening and soccer (physical and mental health); and a volunteer program that helps to improve the surrounding community in South Hayward.

Through the AFL-CIO partnership with the National Day Laborer Organizing Network, our Council enjoys a policy relationship with organizations like the Day Laborer Center. Our staff has toured the Hayward Center and others, and spoken with workers involved in programs. We have held many discussions with national and local leaders and believe the organized Day Laborers movement shares our values and commitment to workers' rights, solidarity, and improved standards.

We request your support for the Hayward Day Labor Center's CDBG application.

Alameda Labor Council, AFL-CIO
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