

I. Introduction

As an entitlement grantee for the United States Department of Housing and Urban Development (HUD) formula grant programs, the City of Elk Grove is required to prepare a Consolidated Annual Performance and Evaluation Report (CAPER) to analyze and summarize program accomplishments during the preceding program year. This CAPER assesses the City of Elk Grove's progress in completing activities identified in the 2005-06 Action Plan for the period July 1, 2005 through June 30, 2006, as well as programs that were continued from the 2004-05 fiscal year. The CAPER also reports the progress in meeting overall five-year Consolidated Plan goals and priorities, and identifies areas for improvement as a result of annual performance reviews.

The 2005-06 program year was the City of Elk Grove's third year as an entitlement recipient of Community Development Block Grant (CDBG) funds. The City of Elk Grove Planning Division, within the Development Services Department, serves as the lead agency for the administration of CDBG funds. Questions regarding this report should be directed to the staff within this division at:

City of Elk Grove
Development Services Department
Planning Division
8401 Laguna Palms Drive
Elk Grove, CA 95758
916-478-2254
Attn: Pamela Speciale

This report was made available for public review during a 15-day public comment period from August 25, 2006 to September 11, 2006. A public notice announcing its availability was published in the *Elk Grove Citizen* on August 25, 2006. A public hearing on the report was held on September 13, 2006 at the Elk Grove City Council meeting.

II. General Narrative

Highlights of Accomplishments

In its third year as an entitlement grantee, the City funded numerous public service activities, including those for the elderly, the disabled, and youth, while also leveraging several community resources for the development of affordable housing. Accomplishments include:

- Purchasing the Elk Grove Court House, located in a low to moderate income area, that will be used to benefit nonprofit agencies to provide services to low and moderate income people and households.
- Funding services for 1,294 at-risk youth, provided by the Elk Grove Teen Center, including counseling, life skills and pre-employment skills.

- Assisting Project R.I.D.E in providing fee assistance to 22 disabled adults for therapeutic horseback and carriage lessons.
- Assisting Sacramento Self-Help Housing in providing counseling and social services for 134 homeless persons and "at-risk" homeless persons.
- Providing funding to the Human Rights/Fair Housing Commission to provide fair housing services to 364 low- to moderate-income renters.

In addition, staff continued the development and modification of guidelines and procedures for the owner-occupied rehabilitation program and emergency repair program, met with public service providers, and implemented monitoring and fiscal systems to oversee and track progress of the CDBG grant program. The majority of the proposed activities for the year were fully implemented; staff laid the groundwork for the incomplete public facility activities to be completed in program year 2006-07.

Summary of Accomplishments

Program year 2005-06 was the City's third year as an entitlement jurisdiction for CDBG funds, and therefore staff has established current "best practices" and has integrated them with the day-to-day and long-term implementation of the program. The following provides a summary of accomplishments in 2005-06, and the Consolidated Plan goals. The activities listed are those contained in the 2005-06 Action Plan, and the applicable one-year objective, with actual accomplishments identified.

Public Facilities

1. Adult Community Training Program

Goal CD-1: Improve the infrastructure and physical environment of Elk Grove's target income areas.

Goal CD-2: Support economic development and employment opportunities in the City's CDBG Target Areas.

Goal CD-6: Promote facilities that serve the City's special needs groups and target income households.

Assist in the provision of the adequate building facilities for the Elk Grove Adult Community Training (EGACT) Program by assisting with the rehabilitation of three portable classrooms.

<i>2005-06 Objective:</i>	Provide funding for the remodeling of three existing portable classrooms
<i>Funding Allocated:</i>	\$20,259 CDBG
<i>2005-06 Accomplishments:</i>	One portable classroom was rehabilitated and an accessibility ramp will be constructed.
<i>Actual Expenditure:</i>	\$10,742 CDBG

Narrative: The rehabilitated classroom will be used to teach employment skills to adults with developmental disabilities. The accessibility ramp will bring the buildings into ADA compliance and makes mobility less restrictive. This project will be rolled into the 2006-2007 fiscal year.

2. Food Bank Services – Clothes Closet

Goal CD-3: Encourage the provision of services to assist target income individuals and families, including those with special needs.

Goal CD-6: Promote facilities that serve the City’s special needs groups and target income households.

Provide funding to Elk Grove Food Bank Services to retrofit two portable buildings to allow for the storing, sorting and shipping of clothing and food.

2005-06 Objective: Retrofit two portable buildings
Funding Allocated: \$14,000 CDBG
2005-06 Accomplishments: The two portable buildings were not retrofitted as planned as problems arose with the cost and scope of installing electrical service.
Actual Expenditure: \$0 CDBG
Narrative: Two portable buildings have not yet been supplied with electrical service. Coordination with the school district and the electrical provider is on-going and is expected to be resolved. This project will be rolled into the 2006-2007 fiscal year.

3. Food Bank Services- Community Garden and Learning Center

Goal CD-6: Promote facilities that serve the City’s special needs groups and target income households.

GOAL CD-1: Improve the infrastructure and physical environment of Elk Grove’s target income areas.

Provide funding to Elk Grove Food Bank Services to construct a new permanent outdoor structure for the community garden and learning center.

2005-06 Objective: Construct outdoor learning center.
Funding Allocated: \$23,000 CDBG

2005-06 Accomplishments: The project was withdrawn.

Actual Expenditure: \$0 CDBG

Narrative: This project was determined to be too difficult to implement and was withdrawn by the subrecipient. The funds were reallocated for use in other projects.

4 City of Elk Grove – Adult Day Care Facility

Goal CD-2: Support economic development and employment opportunities in the City's CDBG Target Areas.

Goal CD-6: Promote facilities that serve the City's special needs groups and target income households.

Construct a building to provide adult day care services to Elk Grove residents. Services will be provided for elderly and disabled adults.

2005-06 Objective: Construct a day care facility.

Funding Allocated: \$225,808 CDBG

2005-06 Accomplishments: The project was withdrawn.

Actual Expenditure: \$0 CDBG

Narrative While the City of Elk Grove plans to pursue this project in the future, the scope of the project precludes the City from proceeding at this time. The funds were reallocated for use in other projects.

Reprogrammed *City of Elk Grove – Facility Improvements – Elk Grove Court House*

Goal CD-3: Encourage the provision of services to assist target income individuals and families, including those with special needs.

2005-06 Objective: Assist in the facility improvements

Funding Allocated: \$92,700

2005-06 Accomplishments: While construction was anticipated to begin prior to June 30, 2006, construction began in July, 2006

Actual Expenditure: \$0

Narrative: Funds from 2005-06 CDBG were reprogrammed in order to allow for the construction of tenant improvements in the Elk Grove Court House building. The amendments to the 2005-06 Action Plan were adopted by the City Council on April 26, 2006. The project was carried over to FY 2006-07. The City acquired a building in which services to low and moderate income people may be housed and tenant improvements were essential in making the building usable for local nonprofit organizations serving low and moderate income people. The services will include youth services, senior services, and anti-crime programs. Services will be targeted to low- and moderate-income residents, but will be available to all Elk Grove residents.

Community Services

5 Tools for Life – Teen Counseling

Goal CD-4: Assist in the provision of services for target income young people in the community.

Funding to Elk Grove Teen Center (EGTC) for the Tools for Life program allows them to provide 12 weeks of counseling and courses for “at-risk” teens. This program is implemented in conjunction with the Elk Grove School District.

<i>2005-06 Objective:</i>	Assist 800 “at-risk” teens
<i>Funding Allocated:</i>	\$6,000 CDBG
<i>2005-06 Accomplishments:</i>	906 total youth served / 870 low- and moderate-income
<i>Actual Expenditure:</i>	\$6,000 CDBG
<i>Narrative:</i>	The number of participants in the Tools for Life program exceeded the projected goal.

6 Ready to Work – Teen Employment Training

Goal CD-2: Support economic development and employment opportunities in the City’s CDBG Target Areas.

Goal CD-4: Assist in the provision of services for target income young people in the community.

Provide funding to EGTC for five weeks of Saturday classes offering teen employment-training services.

<i>2005-06 Objective:</i>	Employment training for 225 teens
<i>Funding Allocated:</i>	\$6,000 CDBG
<i>2005-06 Accomplishments:</i>	388 total youth served / 388 low- and moderate-income
<i>Actual Expenditure:</i>	\$6,000 CDBG
<i>Narrative:</i>	The number of participants in the Ready to Work program exceeded the projected goal.

7. Point Break – Violence Prevention

Goal CD-4: Assist in the provision of services for target income young people in the community.

Assist the EGTC and Elk Grove Unified School District (EGUSD) in providing a violence prevention workshop for youth.

<i>2005-06 Objective:</i>	Violence prevention training for 410 youths
<i>Funding Allocated:</i>	\$5,000 CDBG
<i>2005-06 Accomplishments:</i>	146 total youth / 146 low- and moderate-income
<i>Actual Expenditure:</i>	\$0 CDBG
<i>Narrative:</i>	While the Point Break program is an important one to teens in the City of Elk Grove and is valued by the EGUSD, the reporting requirements of CDBG are precluded by the relationship that is developed between the staff and the youth attending the Point Break workshop. As the Point Break program was not able to accurately document the income levels, ethnicity, race and other background information of the participants, the City of Elk Grove declined to fund the project.

8. Fair Housing Services

Goal HS-1: Foster the development and maintenance of housing affordable to target income households as well as those with special needs.

Goal CD-3: Encourage the provision of services to assist target income individuals and families, including those with special needs.

Fund the Human Rights/Fair Housing Commission to provide fair housing services such as discrimination complaint investigation, outreach and/or education to Elk Grove residents.

<i>2005-06 Objective:</i>	Assist 120 households
<i>Funding Allocated:</i>	\$5,000 CDBG
<i>2005-06 Accomplishments:</i>	364 low- and moderate-income renters received rental counseling and 27 people attended two educational workshops. There was a Fair Housing Audit conducted in November of 2005 that examined rental practices for tenants with companion animals.
<i>Actual Expenditure:</i>	\$5000 CDBG
<i>Narrative:</i>	The Human Rights/Fair Housing Commission offered advice and referral services to many individuals with questions about landlord-tenant issues, provided

informational workshops, and completed a fair housing audit. One hundred percent of the people served were low- and moderate-income.

9 Project R.I.D.E., Inc.

Goal CD-3: Encourage the provision of services to assist target income individuals and families, including those with special needs.

Goal CD-4: Assist in the provision of services for target income young people in the community.

Assist Project R.I.D.E., Inc. in providing therapeutic horseback riding or carriage driving instruction to adults with disabilities and low-moderate income children with disabilities.

<i>2004-05 Objective:</i>	Assist 30 disabled adults and children
<i>Funding Allocated:</i>	\$8,000 CDBG
<i>2005-06 Accomplishments</i>	22 adults
<i>Actual Expenditure:</i>	\$8,000 CDBG
<i>Narrative:</i>	22 adults with disabilities were assisted with recreational therapeutic riding and driving instruction.

10 Sacramento County Department of Human Assistance – Meals on Wheels

Goal CD-5 Support services for the elderly, including frail elderly, in Elk Grove
Goal CD-6 Promote facilities that serve the City’s special needs groups and target income households.

Assist the County with the delivery of hot meals to house bound seniors in Elk Grove.

<i>2005-06 Objective:</i>	Assist 70 persons
<i>Funding Allocated:</i>	\$16,000 CDBG
<i>2005-06 Accomplishments:</i>	89 persons served
<i>Actual Expenditure:</i>	\$16,000 CDBG

Narrative: The Meals on Wheels program delivered hot and frozen meals to 89 elderly and disabled persons in the City of Elk Grove. Delivery drivers for the program also maintained up to date emergency contact information on every homebound senior and performed regular status checks.

11 Homeless Services

Goal HA-1: Encourage a range of supportive services to help those at risk of becoming homeless and those who are without shelter.

Goal CD-3: Encourage the provision of services to assist target income individuals and families, including those with special needs.

Assist Sacramento Self-Help Housing in providing counseling and social services for homeless persons and those at risk of becoming homeless.

2005-06 Objective: Assist 160 persons
Funding Allocated: \$5,323 CDBG
2005-06 Accomplishments: Assisted 134 persons
Actual Expenditure: \$5,323 CDBG
Narrative: Sacramento Self-Help Housing assisted 134 homeless or near-homeless persons in obtaining access to counseling and social services. Sacramento Self-Help Housing has resources to assist this population.

12. Senior Center – Congregate Meal Program

Goal CD-5 Support services for the elderly, including frail elderly, in Elk Grove

Goal CD-6 Promote facilities that serve the City’s special needs groups and target income households.

Assist in the congregate meal program at the Elk Grove Senior Center. Meals are served to seniors on a daily basis.

2005-06 Objective: Assist 150 Seniors
Funding Allocated: \$14,000 CDBG
2005-06 Accomplishments: 279 seniors served
Actual Expenditure: \$14,000 CDBG

Narrative: The Senior Center of Elk Grove provided hot meals to 279 seniors in a congregate meal setting. This program met the social as well as nutritional needs of seniors.

Housing Activities and Programs

13. Owner-Occupied Rehabilitation Program

Goal HS-1: Foster the development and maintenance of housing affordable to target income households, as well as those with special needs.

Continue the existing housing rehabilitation program that provides low-interest loans to target-income homeowners with home rehabilitation needs.

2005-06 Objective: Rehabilitate 8 homes
Funding Allocated: Continue to use funds from the 2003-04 CDBG
2005-06 Accomplishment: Processed 1 application
Actual Expenditure: \$20
Narrative: The City’s housing rehabilitation program was initiated in 2003-04. This program continues to use funding from the 2003-04 program year, as these funds were

not fully expended. Because the 2003-04 funds were sufficient to continue the program, no 2005-06 funds were set aside.

Updated Guidelines were adopted by the City Council in June of 2006. Applications have been accepted and the application rating system will be used to identify loan candidates.

14. Emergency Repair Program

Goal HS-1: Foster the development and maintenance of housing affordable to target income households, as well as those with special needs.

Continue the Emergency Repair program. Provide small loans and grants to target income residents, including elderly and/or disabled homeowners with emergency housing repair needs.

2005-06 Objective:

5 homes

Funding Allocated:

Continue to use funds from the 2003-04 CDBG allocation plus additional funds rolled into the program from unspent subrecipient grants.

2004-05 Accomplishment:

3 applications were taken and 2 loans were approved

Actual Expenditure:

\$8,881.00

Narrative:

The emergency repair program was initiated in 2003-2004, and continues to use 2003-04 CDBG funding and these funds were rolled-over to the 2005-06 program year. No new 2005-06 funds were set aside for this program.

Revised guidelines were adopted by City Council in November of 2005. The program policies and guidelines were analyzed in an attempt to encourage greater participation in the program. The City completed two emergency repair projects that consisted of installing a wheelchair ramp and replacing a heating and air conditioning unit for two senior households.

Planning and Administration Activities

15. CDBG Planning and Administration

Goal PA-1: Provide efficient administration and oversight of the CDBG program and undertake planning efforts to address the needs of target income residents.

Provide funding for staff administration of CDBG programs, IDIS training, program set-up, reporting, Action Plan development and monitoring of subrecipient activities as well as other Consolidated Plan administrative activities.

2005-06 Objective: Conduct administrative services, train staff, and carry out other administrative and planning activities related to the CDBG program as well as other programs serving the target-income and special needs populations.

Funding: \$87,097 CDBG (Planning and Administration Funds)

2005-06 Accomplishment: Carried out a wide range of administrative activities to implement programs and activities serving the target income and special needs population

Actual Expenditure: \$87,097 CDBG

Narrative: CDBG staff was able to carry out a wide range of administrative activities to implement programs and activities serving the target income and special needs population

16. Affordable Housing Development Program (non-CDBG funds)

Goal HS-1: Foster the development and maintenance of housing affordable to target income households, as well as those with special needs.

Provide funding for the development of 107 units affordable to target income (0 to 80% AMI) households. The City will assist in the funding of affordable housing development using the City's Very Low Income Housing Trust Fund (VLIHTF) and the Affordable Housing Trust Fund (AHTF).

2005-06 Objective: 27 units for low income households (0-50% AMI)
80 units for moderate income households (51%-80% AMI)

Funding Allocated: \$9,000,000 VLIHTF/AHTF

2005-06 Accomplishment: The Coventry for-sale affordable housing project provides for 5 units for very low-income households (0-50% AMI) and 6 units for low income (51-80%) and 3 moderate income households (80-120% AMI) of affordable for-sale housing. The project falls under a new housing ordinance providing for fee exemptions when affordable units are included. While this project was planned for in FY 2005-06, it will be carried over into 2006-07.

Stoneridge at Elk Grove is another affordable project and it is a multi-family rental project providing 36 units for low-income households (0-50% AMI) and 59 units

for low income (51-80%). While this project was planned for in FY 2005-06, it will be carried over into 2006-07.

Actual Expenditure:

\$0 Affordable Housing Fee or Exemptions

Narrative:

See Affordable Housing narrative.

19. Housing Choice Voucher Rental Assistance Program (non-CDBG funds)

Goal HS-1: Foster the development and maintenance of housing affordable to target income households, as well as those with special needs.

Provide referrals for extremely low-income households to the Housing Choice Voucher (Section 8) Program at the Sacramento Housing and Redevelopment Agency (SHRA). Encourage local landlords to participate in the program and accept Housing Choice Vouchers.

2005-06 Objective:

Provide 10 referrals

Funding Allocated:

\$0 / HUD and SHRA funds

2005-06 Accomplishment:

Made 7 referrals

Actual Expenditure:

N/A (non-CDBG funded)

Narrative:

Frequently calls are received and a referral is made to SHRA and the Housing Choice Voucher program. As of January 26, 2006 there were 810 households in the City of Elk Grove that were using Housing Choice Vouchers.

All statistics reported in the summary above are for the period July 1, 2005 through June 30, 2006. Some activities have not been completed, and will be carried over into the 2006-07 program year. The accomplishments attained after July 1, 2006 for these activities will be reported in next year's CAPER.

HUD provides specific requirements that entitlement grantees certify that they will affirmatively further fair housing in their jurisdiction. Fair housing objectives are broad, and include requirements to promote fair housing choice for all persons and to foster compliance with the nondiscrimination provisions of the Fair Housing Act. These requirements are satisfied, in part, by analyzing impediments to fair housing choice within the jurisdiction and taking appropriate action to overcome the effects of those identified impediments.

Actions Taken to Affirmatively Further Fair Housing

The City of Elk Grove works in partnership with the Sacramento Housing and Redevelopment Agency (SHRA) on regional housing issues. In 2002, SHRA contracted with Project Sentinel, a fair housing services agency in Palo Alto, to prepare a regional

Analysis of Impediments to Fair Housing Choice (AI). The areas studied included the cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Isleton, Galt and the unincorporated area of Sacramento County. It involved an exhaustive study of available data including housing policies and zoning laws of the various governmental entities, mortgage lending practices, meetings with public officials and community groups. The AI went through several drafts in 2003 and was ultimately completed in November of 2004. While the draft of the AI includes data from the City of Elk Grove, the final AI does not include recommendations for the City of Elk Grove. The City of Elk Grove will be preparing an AI for submission to HUD.

The City of Elk Grove seeks to reduce impediments to fair housing choice for persons protected under the federal Fair Housing Act. Protected classes include race, color, religion, sex, disability, familial status and national origin. The strategy the City of Elk Grove has chosen to undertake regarding multifamily construction for people with disabilities is to employ the 2001 California Building Code Title 24. The Building Code serves to comply with accessibility standards of the 1988 Fair Housing Amendments Act.

The City of Elk Grove contracts with the Human Rights/Fair Housing Commission to provide fair housing services, including discrimination complaint investigations, as well as outreach and education to both landlords and tenants. The Human Right/Fair Housing Commission conducts a fair housing audit annually. A different fair housing issue is selected each year for in-depth study. The Commission is a joint powers agency of the City and County of Sacramento and is the only local entity that tracks and investigates housing discrimination complaints. Their services also include conciliation, litigation and education.

In the 2005-06 program year, the Commission provided the following fair housing services to the City of Elk Grove, using CDBG funds:

- Handled 364 calls from citizens inquiring about a range of landlord/tenant issues, including discrimination, unit repairs, deposits, eviction processes, mold, retaliation, and Section 8 referrals.
- Provided the Elk Grove Police Department with 5,000 handbooks on fair housing issues, so that they can be handed out as deemed necessary and appropriate when responding to calls.
- Conducted two workshops for tenants, informing them of their rights and responsibilities when leasing a residence. Over 11 tenants attended this first workshop and all had concerns that were well addressed by Human Rights/Fair Housing staff. The City of Elk Grove Community Enhancement (code enforcement) staff presented a slide show of code enforcement issues, showing substandard housing and gave strategies to avoid or resolve housing safety concerns. The City of Elk Grove Police Department sent a public safety officer who offered solutions to residents of multi-family complexes facing personal safety concerns.
- Held a workshop for landlords/property managers, informing them of their rights and responsibilities when acting in the capacity of landlord to tenants. The workshop was well received with 16 people in attendance; many questions and

answers addressed by Human Rights/Fair Housing staff. Again, the City of Elk Grove Community Enhancement (code enforcement) staff and the City of Elk Grove Police Department offered solutions and support for public safety issues.

- Performed the 2005 Fair Housing Audit and furnished the City of Elk Grove with a copy of the report. Six multi-family rental properties in the City of Elk Grove were tested for discrimination relative to companion animals. There was no evidence of discrimination in any of the complexes located in Elk Grove, however, there was confusion regarding the laws concerning deposits and companion animals.

Affordable Housing

The City made progress toward meeting the housing needs of target income families and seniors in need of rental units. Table 1 provides information on the multi-family projects that have been in negotiations in 2005-06. While no affordable housing projects have been developed since the last CAPER reporting period, the projects listed below are expected to be developed with funding from Elk Grove's Very Low Income Housing Trust Fund (VLIHTF), Affordable Housing Fund (AHF), and fee waivers or fee exemptions.

**TABLE 1
AFFORDABLE HOUSING UNITS STATUS 2005-06**

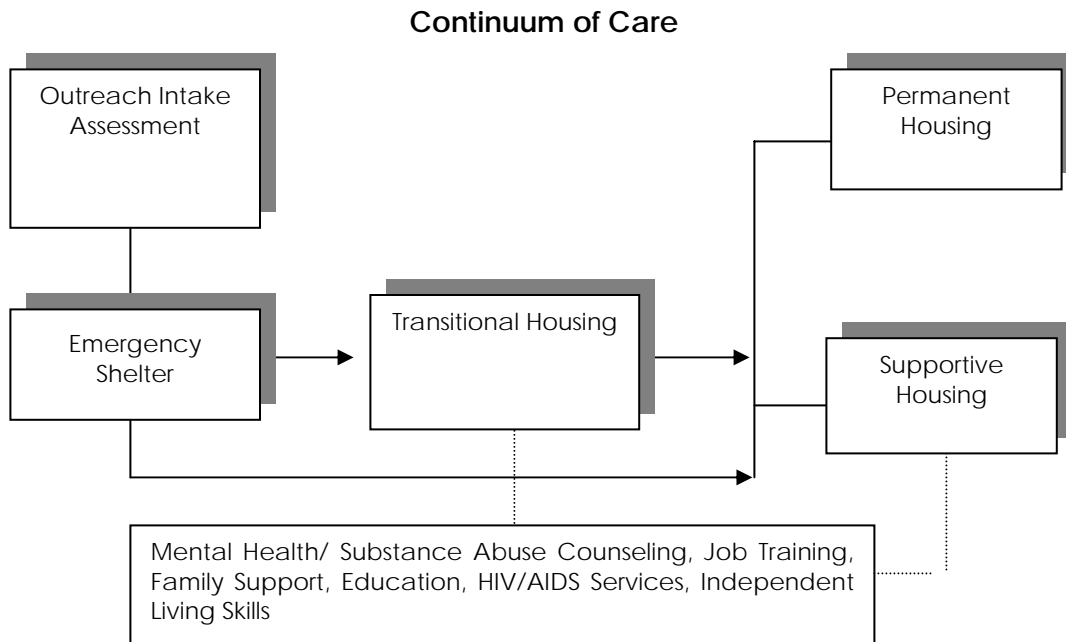
Project/Status	Affordable Units	Assistance Package	Date of Certificate of Occupancy
Terracina Park Meadows	29 units at 50% AMI 87 units at 60% AMI 116 units total	1,296,476 – AHF 700,000 – VLHTF 1,996,476 total loan	01/04
Agave	40 units at 50% AMI 148 units at 60% AMI 188 units total	2,500,000 loan – AHF 345,356 fee waiver	05/05
Laguna Big Horn	13 units at 80% AMI 38 units at 120% AMI 51 units total	664,323 fee waiver	21 units sold
Vintage at Laguna Senior apartments	32 units at 50% AMI 125 units at 60% AMI 157 units total	1,300,000 loan – AHF 450,000 loan – AHF 736,572 fee waiver	12/05
Geneva Pointe	31 units at 50% AMI 60 units at 60% AMI 91 units total	1,700,000 – AHF 413,921 – Grant 1,059,228 – fee deferral	06/06
The Crossings at Elk Grove	49 units at 50% AMI 66 units at 60% AMI 115 units total	8,959,930 - AHF	Under Construction
Coventry –Single Family “for sale” units Agreement Approved/ Not Yet Under Construction	5 units at 50% AMI 6 units at 80% AMI 3 units at 120%	\$569,922 fee exemption	Affordable agreement signed
Stoneridge at Elk Grove – multi-family rental units	36 units at 50% AMI 59 units at 60% AMI	\$8,054,620 loan request	Funding approved

The City continues to work toward the Consolidated Plan and Housing Element goals for construction of affordable single-family and special needs units.

Continuum of Care Narrative

The Sacramento County Department of Human Assistance (DHA) is the lead coordinating agency for planning, coordinating, and monitoring programs within the Continuum of Care system serving the homeless in the County of Sacramento. The principle behind the Continuum of Care approach is recognition that homelessness is not caused merely by a lack of shelter, but also involves a variety of other underlying

unmet needs and complicated barriers. Therefore, strategies to address homelessness must also provide a wide variety of services to address these needs and barriers. The Continuum of Care model is often viewed as a progression of appropriate and individualized services that take individuals and families from homelessness to permanent housing.



The City's strategy relates to the needs of the homeless, and those at risk of homelessness, involves the funding of supportive services in Elk Grove or referral to regional services that serve Elk Grove residents. There are no shelters within the City of Elk Grove, so homeless individuals and families must use shelters in downtown Sacramento, or in the winter, the shelter located at Cal Expo (the State Fairgrounds). Also, while most of the social service agencies serving the homeless do not have offices in Elk Grove, Sacramento Self Help Housing does provide services to homeless in the City.

The City actively supports a system of supportive services that are readily available for residents in the City.

In program year 2005-06, the City provided both funding and an Elk Grove location to Sacramento Self-Help Housing. This nonprofit organization provides homeless prevention services to residents of Elk Grove who are either already homeless or at risk of becoming homeless. The funded services focused on rental search assistance, with matching of clients to specific management companies and property owners. The agency serves Elk Grove residents from City Hall.

Also in program year 2005-06, the City funded Elk Grove Community Food Bank Services. The Clothes Closet division of this nonprofit organization provides clothing to both children and adults. The children are identified by the Elk Grove Unified School District as being in need of school clothes. The CDBG funds granted to the Elk Grove

Community Food Bank Services were used for the renovation of two portable buildings that will be used to store, sort, and ship clothing. One of the buildings holds a freezer that holds food for future distribution at the Food Bank.

In addition, the City's Housing Element includes several programs that provide for the development of affordable housing and the removal of constraints to the placement of emergency shelters. In future years, the City also plans to support the development and operation of emergency shelters and transitional housing through regional coordination with groups such as SHRA, Sacramento Self-Help Housing and other non-profit housing groups.

Other Actions

Address Obstacles to Meeting Underserved Needs

While there are several constraints to meeting the needs of target-income residents (refer to the Consolidated Plan, p. 3-11), the primary obstacle to meeting underserved needs is the lack of available services within the City of Elk Grove's boundaries. Many services needed by the target population and special needs groups are located in the City of Sacramento.

With the purchase of the Elk Grove Court House with CDBG and City general funds, the City is now able to provide space to local nonprofits for service delivery. Helping Hand is a nonprofit that provides a variety of services to low and moderate income people. The Teen Center provides after school supportive services to teens, the majority of whom are from low or moderate income households.

Foster/Maintain Affordable Housing and Eliminate Barriers

The City's 2002-2007 Housing Element includes a number of important programs to facilitate the development of affordable housing in Elk Grove. Some of these programs include:

- Support affordable housing development through direct financial assistance, regulatory incentives (e.g. density bonuses), and land write-downs. (H-4 Action 2)
- Assign Very Low Income Housing Trust Funds, Affordable Housing Fees, and pursue CDBG and HOME funds and other subsidies for housing projects affordable to very low- and low-income households. (H-6 Action 1)
- Adopt a program of regulatory and financial incentives for affordable housing. (H-6 Action 5)
- Require that all affordable housing development subsidized by the City or required by the City contain provisions that assure long-term affordability mechanisms (e.g., 45 years or more). (H-8 Action 1)

Additional measures are identified and explained in detail in the City's Housing Element.

The City has two major funding sources to promote affordable housing development: the Very Low Income Housing Trust Fund (VLIHTF) and the Affordable Housing Fund (AHF). The VLIHTF is funded by impact fees collected on non-residential development in the City and funds housing appropriate to the City's workforce and affordable to households earning 0 to 50 percent AMI. The AHF is collected from market-rate residential development and used to provide new housing affordable to households with incomes less than 80 percent AMI. While the City uses these two funding sources combined with fee exemptions and deferrals, there were no new rental units in program year 2005-06. There are projects in process that will be completed in 2006-07.

Another important affordable housing initiative that the City continues to be involved in is "The Sacramento Regional Compact for Production of Affordable Housing", a voluntary program for jurisdictions within the Sacramento Area Council of Governments (SACOG) region encouraging at least 10% of all new housing construction to be affordable to low- and moderate- income households. Elk Grove joined the Compact in April 2004. The Compact's standards (which use the State's low-income status guidelines) include:

- At least 4% of all new housing construction will be affordable to very low-income families.
- At least 4% of all new housing construction will be affordable to low-income families.
- Up to 2% of the 10% goal can be met by providing housing affordable to moderate-income families.
- The "4-4-2 standard" can be met through a combination of new construction and substantial rehabilitation, but all housing used to meet the standard must be under regulatory affordability agreement.

Jurisdictions can meet the production standards by any means they deem appropriate. If a participating jurisdiction meets or exceeds the standard, it is then eligible for potential state funding dedicated to the region, such as the Workforce Housing Reward Program.

The City has also developed a CDBG-funded rehabilitation program in order to maintain its stock of affordable owner-occupied housing. The program features the provision of low-interest rate loans of up to \$60,000 to qualified low- and moderate-income homeowners, along with technical assistance to determine necessary rehabilitation and hire and monitor the selected contractor. While no loans were actually processed in 2005-06, staff began to market the program to the public and received two applications. The City of Elk Grove is collaborating with Sacramento Neighborhood Housing Services-NeighborWorks to process the loan documents.

Overcoming Gaps in the Institutional Structure and Enhance Coordination

The City of Elk Grove Department of Development Services is responsible for the management, implementation, and monitoring of the CDBG program, as well as the Affordable Housing Fund and Very Low Income Trust Fund. The Planning Division within

the department is specifically charged with these tasks. The division works in close consultation with the City's advisory committees and with the department's director.

The City has designated staff positions to administer the programs and activities funded with CDBG funds. These staff members work with the individual city divisions, such as public works, economic development, and community enhancement and the City's advisory committees to develop procedures and coordination for administering programs that will be carried out by these divisions and for funding services and programs that are not carried out by the City. There are on-going evaluations and reviews of the administrative processes. The process is continually under review to improve efficiencies and coordination to better serve the subrecipients and to meet HUD regulations.

The City is continuing to work with neighboring jurisdictions such as the County and the City of Sacramento, including the Sacramento Housing and Redevelopment Agency (SHRA), to address the regional issues that affect the needs of target income persons as well as special needs populations. In the Sacramento Metropolitan Area, issues related to affordable housing, public housing, and redevelopment projects are often cross-jurisdictional and require the concerted effort and cooperation of numerous governmental agencies. Through its joint powers authority, SHRA is able to take the lead on these important regional issues. As mentioned earlier, the City has also joined The Sacramento Regional Compact for Production of Affordable Housing. The City meets with the Sacramento Regional Compact for Production of Affordable Housing working group regularly throughout the year to address housing concerns and share information about resources and strategies to overcome affordable housing barriers in the region.

Public Housing Needs

While two public housing complexes are located in Elk Grove, they are administered by SHRA, which serves as the Housing Authority for Sacramento County. The City of Elk Grove does not have its own local housing authority. Resident initiatives, therefore, are handled directly by SHRA.

SHRA encourages resident participation through its Resident Advisory Board, and Resident Committees, which communicate with SHRA management staff to exchange information pertinent to the residents and to discuss issues or concerns. SHRA also provides a number of different programs that bring services and information to residents on-site to help them to improve their quality of life. Such services include The Family Self-Sufficiency Program, job training, and special services for seniors and the disabled such as transportation, nutrition services and companion services.

SHRA also administers the Housing Choice Voucher (HCV) Program that provides rental subsidies to very low-income households in the County of Sacramento to rent reasonably priced private market housing. Under the Homeownership component, eligible households can use their voucher to help make mortgage payments. As of January 2006, there were 810 HCV being used in the City of Elk Grove.

Reduction of Lead-Based Paint Hazards

While the majority of housing units in Elk Grove were built after 1978, there are an estimated 577 owner-occupied units and 489 rental units potentially contaminated with lead-based paint. The City has established lead-based paint abatement procedures, in accordance with the Residential Lead-Based Paint Hazard Reduction Act (Title X) and the new regulations adopted in 1999. These procedures have been adopted as part of the Housing Rehabilitation Program guidelines (revised and approved by the City Council May 2006) and also apply to the Emergency Repair Program.

The procedures regarding lead-based paint in both rehabilitation programs include:

- Notification procedures for owners and occupants
- Evaluation and identification of lead hazards
- Requirements for repair, reduction or abatement of the lead hazards
- Clearance examinations

Actions Taken to Ensure Compliance/Monitoring

The City of Elk Grove has developed a monitoring system to ensure that the activities carried out in furtherance of the Plan are done so in a timely manner in accordance with the federal monitoring requirements of 24 CFR 570.501(V) and 24 CFR 85.40 and all other applicable laws, regulations, policies, and sound management and accounting practices. The primary objectives of the City's monitoring efforts are:

- To ensure that subrecipients have the capacity to carry out their responsibilities and to do so in a timely manner.
- To ensure that subrecipients are carrying out the project as described in their agreement, complying with applicable laws and regulations.
- To ensure that the project is operating in a manner that minimizes the opportunity for fraud, waste, and mismanagement.

During this year, staff reviewed the intake forms and quarterly report forms for each of the subrecipients. Revisions were made to the intake forms when deemed necessary to decrease the opportunity for error in recording pertinent information and data gathering. Reimbursement for purchase and construction were verified through review of original invoices and other appropriate documentation. In construction projects Davis-Bacon compliance was closely monitored.

Anti-Poverty Strategy

As stated in the Action Plan, the City's anti-poverty strategy is based on providing a range of employment opportunities and supportive services aimed at enabling those in poverty to move into the workforce, as well as supporting activities that preserve and expand the supply of housing that is affordable to target-income households.

In 2005-06, the City's CDBG funds were used to support the following anti-poverty programs:

- Elk Grove Teen Center USA "Ready to Work" program
- Elk Grove Teen Center USA "Tools for Life" program
- Sacramento Self-Help Housing counseling and social services for the homeless

Elk Grove residents also have access to anti-poverty services provided by the Department of Human Assistance (DHA). DHA provides many programs designed to provide temporary assistance to families in need, and coordinates the County's welfare-to-work programs, with an emphasis on creating employment connections and increasing the income of the program's participants. Overall, the goal of all agencies' programs is economic self-sufficiency.

Progress in Leveraging Other Resources

During this reporting period, the City had an overall ratio of \$2.07 of non-federal funds for every \$1.00 of federal funds available for community development and housing needs. Table 2 details the leverage sources and amounts that contributed to this ratio in 2005-2006.

**TABLE 2
LEVERAGE SOURCES AND AMOUNTS**

Leverage Source	Amount
Affordable Housing Fund (AHF)	\$380,990
Fee Waivers	None this year
Elk Grove Adult Community Training Program - 15,904 SSHH - 2600 Senior Center - 19,131 County - 23,487	\$61,122
City of Elk Grove General Fund	\$211,270
Elk Grove Court House – General Funds	\$247,770
Total	\$901,152

Citizen Comments

These were funds contributed by sources other than the City’s CDBG grant that supported community development efforts addressed in the Consolidated Plan. Aside from the funds leveraged for the development of affordable housing, these were primarily for programs operated by nonprofit agencies running CDBG-funded programs that are not included in the total above.

The City of Elk Grove has responded to the need for public comment by assisting with the formation of the Nonprofit Alliance. This group of residents and nonprofit organization employees have joined together to examine the services currently provided in the City, and to look at duplications and gaps in service. This group meets periodically and communication among the alliance members allows for coordinated scheduling of fundraising.

Self Evaluation

What is the status of grant programs?

2005-06 was the City of Elk Grove’s third year as a CDBG entitlement jurisdiction. The City worked with 10 service providers to retrofit public facilities and to provide enrichment services to youth, counseling services to the homeless, training to low- to moderate-income youth, fair housing services to residents, and emergency repair and owner-rehabilitation programs to low-income homeowners. Some subrecipients were unable to use the money they were allocated, and these funds have been reprogrammed for other uses in future years.

Are grant disbursements timely?

HUD requires that at a point approximately three-quarters of the way through the fiscal year, grantees have available in their line of credit no more than 1.5 times that year’s entitlement grant. The City of Elk Grove is compliant with this regulation. Staff has implemented a system to schedule on-going draw downs at least once each quarter. Any issues with timely disbursements have been rectified, and new policies put in place to ensure the timeliness of future disbursements. As we mature as a CDBG grantee, we are improving in our selection of both subrecipients and projects that can be completed within the allocated timeframe.

TABLE 3

Timely Expenditure Calculation	
Total 2005-06 annual funding	435,487.00
Total funds remaining at year-end	479,049.09
Percentage of total funding	110%

Are major goals on target?

Overall, the City is progressing toward its goals of fostering the development of affordable housing and providing supportive services to the elderly, youth, and those with special needs. Other goals in the five-year Consolidated Plan that will need continued effort include the support of economic development and employment opportunities, as well as the improvement of the infrastructure and physical environment in the City’s target income areas. The owner-occupied rehabilitation program has been stalled by a variety of unforeseen circumstances, but the Emergency Repair Program has been successful in completing two loans. The City will concentrate effort on these two programs in 2006-07.

Are any activities or types of activities falling behind schedule?

The Summary of Accomplishments, beginning on page 2, provides a description of each activity planned in 2005-06 and its actual accomplishments during the year. Two primary activities that have begun slowly are the Owner-Occupied Housing Rehabilitation Program and the Emergency Repair Program. The nature of the housing market in the Elk Grove/Sacramento region makes the rehabilitation program a

challenge to manage. The City of Elk Grove has collaborated with Sacramento Neighborhood Housing Services to process loan applications more rapidly. For both of these programs, staff is working with local agencies and City of Elk Grove's Code Enforcement to make the public aware of the programs and to increase the number of applicants. Funding for both activities will be carried forward into the 2006-07 program year. Additional funding is expected to be allocated in 2007-08 to ensure that community needs are satisfied.

There are two projects that have been withdrawn as they are unable to be completed this year. The Elk Grove Community Food Bank – Community Garden project was withdrawn as it was too difficult to manage within the CDBG parameters. The City of Elk Grove Adult Day Care facility project was withdrawn. While the City would like to pursue the project in the future, the City does not have adequate resources at this time to devote to project development.

Are the activities and strategies making an impact on identified needs?

The housing and community development activities that are funded through the grant are making a positive impact in the community and specifically on the needs identified in the Consolidated/Annual Plan. The funded activities and strategies are vital to the City's health and well-being in many ways. The City's considerable efforts to foster affordable housing allow more residents each year to have access to attractive, safe, and affordable housing, community service, and public facilities. The funded public service activities provide many vulnerable citizens, such as seniors, at-risk youth, and the disabled with essential and life-enhancing services. Each funded activity in this program year is directly related to one of the goals in the Consolidated Plan and helps to further achievement of the City's community development objectives and goals.

What barriers may have a negative impact on fulfilling the strategies and the overall vision?

A barrier that the City has faced in the past has been the difficulty in soliciting quality applications for funding from potential subrecipients. The applicant pool was initially very small, resulting in little competition for the grants. In succeeding funding rounds, the CDBG program has been able to attract more qualified applicants offering a variety of services and improvements needed in the community.

Based on findings, what adjustments or improvements to strategies and activities might meet the City's needs more effectively?

The City will need to continue its efforts to work closely with community and neighborhood groups to ensure that their valuable input is obtained as plans and activities are being developed, so that services are relevant and maximize leveraging opportunities. The City will also improve its information dissemination processes so that general public and many nonprofit organizations are notified through multiple mediums about the various CDBG programs. In future rounds the City will be using CDBG for public facility improvements that will enhance the living environment in the low and moderate income neighborhoods.

III. CDBG Program Narrative

City of Elk Grove receives HUD entitlement funds from the Community Development Block Grant (CDBG) program and also participates in the SHRA HOME Consortium. The consortium became effective in January 2006. During fiscal year 2005-06 (the City's third year as an entitlement grantee), the City received a total of \$435,487 in CDBG funds. Through the SHRA HOME Consortium the City of Elk Grove has access to \$302,753 over three years. Receipt of these funds allows the City to enhance traditional services provided to low- and moderate-income residents, such as neighborhood infrastructure improvements, as well as to provide a range of human services that fall outside the scope of those benefits typically provided by the City. The SHRA Consortium HOME funds will be put toward the construction of a multi-family apartment rental complex.

The City did not generate any program income in this third year of funding. It is in the process of establishing a Revolving Loan Fund (RLF) into which it will deposit payments of principal and interest received on housing loans funded through CDBG. The balance in this fund will be used to finance future housing loans and will be replenished through on-going repayments. This program income will be reported as required in both the IDIS system and future CAPERs.

In 2005-06, the City met the following CDBG expenditure requirements as follows:

- Administration expenditures cap of no more than 20%: The City spent 20% of its funding on administration.
- Public Services expenditures cap of no more than 15%: The City spent 14% of its funding on public services.

TABLE 4

Community Services	
Total 2005-06 annual funding	435,487
Total 2005-06 public services expenditures	60,323
Percentage of award	14%

- Minimum of 70% of CDBG expenditures must be used for activities to benefit low-moderate income persons: The City spent 100% of its funding on activities to benefit low- and moderate-income persons.

Table 5 shows the breakdown of total available and committed 2005-06 CDBG funds by Consolidated Plan goal, with actual expenditures for the fiscal year. Unexpended funds will be carried over into fiscal year 2006-07, and as described in the Summary of Accomplishments, will either be programmed for the same activity or reprogrammed for a different activity.

**TABLE 5
FISCAL YEAR 2005-06 CDBG FUNDS COMMITTED/FUNDS EXPENDED**

Goal	Program Name	Program Type	Committed	Expended
CDBG PROGRAM ACTIVITIES				
Public Facilities				
CD-2 CD-6	Elk Grove Adult Community Training (EGACT) Program	Remodel three existing (portable) classrooms and construct one accessibility ramp	\$20,259.00	\$10,742.00
CD-3 CD-5 CD-6	Elk Grove Food Bank Services (EGFB) Program	Retrofit interiors of 2 portable buildings to store, sort, and ship clothing	\$14,000.00	\$0
CD-1 CD-6	Elk Grove Food Bank Services (EGFB) Program	Construction of a permanent outdoor structure for the community garden and educational center	\$23,000.00	Reprogrammed to 2006-07
CD-2 CD-6	City of Elk Grove Adult Day Care Facility	Construct a public facility where elderly and special needs adults can access day care	\$225,808.00	Reprogrammed to 2006-07
Subtotal:			\$283,067.00	\$34,259.00
Community Services (15% Limit)				
CD-4	EGTC - Tools for Life	12 weeks of counseling for "at-risk" teens (works with Elk Grove School District)	\$6,000.00	\$6,000.00
CD-2 CD-4	EGTC - Ready to Work	Four weeks of Saturday afternoon classes on employment for teens	\$6,000.00	\$6,000.00
CD-4	EGTC - Point Break	Violence prevention workshop for teens with EG School District	\$5,000.00	\$0
HS-1 CD-3	Human Rights/Fair Housing Commission - Fair Housing Services	Fair housing services	\$5,000.00	\$5,000.00
CD-3 CD-4	EGTC - Project R.I.D.E	Therapeutic horseback riding for handicapped adults and handicapped low-income children	\$8,000.00	\$8,000.00
CD-5 CD-6	Sacramento County Department of Human Resources - Meals on Wheels	Home meal delivery program	\$16,000.00	\$16,000.00
HA-1 CD-6	Sacramento Self-Help Housing-Homeless	Counseling and social services for homeless	\$5,323.00	\$5,323.00
CD-5 CD-6	Senior Center of Elk Grove Nutrition Program	Congregate meal program	\$14,000.00	\$14,000.00
Subtotal:			\$ 65,323.00	\$ 60,323.00
Planning and Administration (20% Limit)				
PA-1	Planning and Administration	Administration of CDBG program	\$87,097.00	\$87,097.00
Subtotal:			\$87,097.00	\$87,097.00
Total CDBG:			\$435,487.00	\$181,679
Reprogrammed				
CD3	Elk Grove Court House	Facility Improvements	\$92,700	\$92,700

Assessment of Relationship of CDBG Funds to the High Priority Needs/Objectives of the Consolidated Plan

The City of Elk Grove expended relatively few funds on high-priority needs during the program year. However, a great deal of funding for the rehabilitation and emergency home repair programs was carried over from the 2003-04 program year, and modifying guidelines for these programs was a priority during the 2005-06 program year. Other high-priority needs that received some funding were youth services and employment training. In future program years, it will be important to provide sufficient funding for many high-priority needs, including on recreation facilities, street and sidewalk improvements, and childcare services. The City may attempt to encourage applications that fill some of these needs, as well as selected medium-priority needs, in the 2007-08 funding round.

For a more detailed description of expended funds and program priority, please see the Summary of Accomplishments for a list and description of activities that were undertaken in 2005-06 to address the Consolidated Plan's goals and high and medium priorities. Also refer to Appendix B, IDIS Reports, which provides detail on the accomplishments, progress, and status of each CDBG-funded activity.

Certifications of Consistency

During 2005-06, the City of Elk Grove:

- Pursued all resources indicated in the 2005-06 Action Plan;
- Provided certification for consistency for other HUD programs when requested; and
- Did not hinder the Plan implementation by action or willful inaction.

National Objectives

All City CDBG funds were used to benefit low- and moderate-income persons (including those presumed to be low- or moderate-income). No projects were undertaken under the national objectives of eliminating slums and blight or of meeting urgent community needs.

Changes in Program Objectives

The following program funds were reprogrammed in order to provide additional funding in 2006-07 for public city infrastructure: Elk Grove Community Food Bank Services – Community Garden - \$23,000; and City of Elk Grove Adult Day Care facility - \$225,808.

Displacement Activities Related to Acquisition, Rehabilitation or Demolition of Occupied Property

Although funds were budgeted for the Housing Rehabilitation program, no loans actually occurred in fiscal year 2005-06 and no relocation of persons on occupied property was necessary.

Economic Development Activities/Job Creation

The City provided funding to the Elk Grove Teen Center for 388 teens to receive five weeks of Saturday classes offering employment-training services.

Limited Clientele Activities

There were no limited clientele activities not qualifying under the presumed benefit category funded during the fiscal year.

Program Income/Return of Funds

The City did generate any program income during 2005-06. The Revolving Loan Fund (RLF) has not yet been established.

Rehabilitation Projects

There were no housing rehabilitation program units completed during the year.

Neighborhood Revitalization Strategies

The City of Elk Grove does not have any HUD-approved neighborhood revitalization areas.