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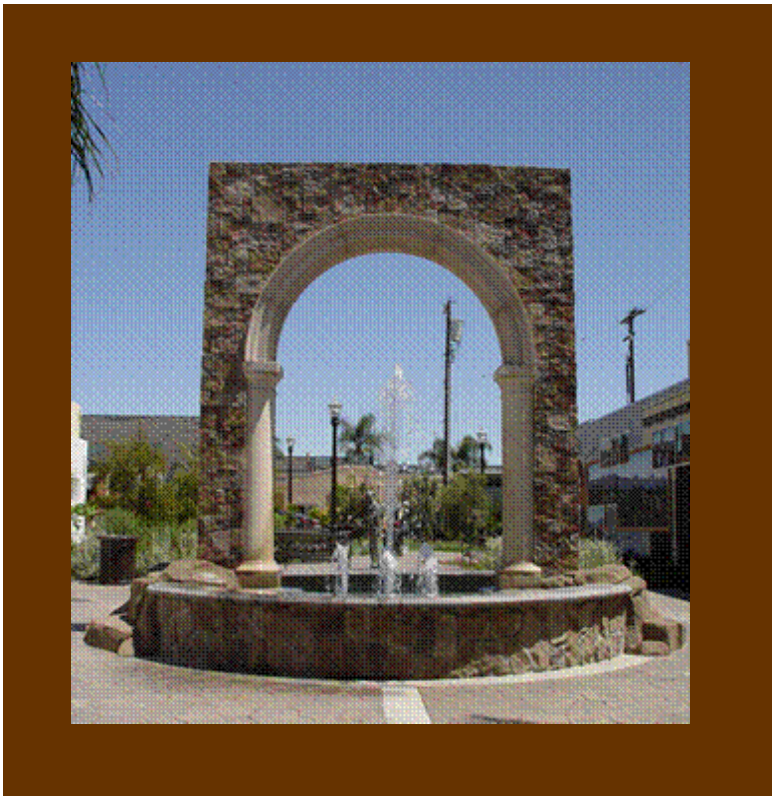
City of Alhambra

Consolidated Annual Performance and Evaluation Report
Program Year 2008/09



September 2009

Office of the City Manager
City of Alhambra
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Alhambra, CA 91801

City of Alhambra
Consolidated Annual Performance and Evaluation Report
Program Year 2008/09

Table of Contents

Section **Page**

I. General Assessment 1

A. Assessment of 5-Year Goals and Objectives 1
1. Maintenance and Provision of Affordable Housing 1
2. Programs to Meet Homeless Needs 4
3. Public Improvements and Community Services 6
4. Code Enforcement 7
5. Commercial Rehabilitation/Economic Development 8
6. Repayment of Section 108 Loans 9
7. Planning and Administration 10

B. Other Actions 11
1. Public Housing 11
2. Lead-Based Paint Hazard Reduction 11
3. Addressing Obstacles to Meeting Underserved Needs 11
4. Removing Barriers to Affordable Housing 11
5. Anti-Poverty Strategy and Coordination 12
6. Institutional Structure 13
7. Coordination 13
8. Program Specific Requirements 13
9. Monitoring 14

C. Leveraging Housing and Community Development Resources 16

D. Citizen Participation and Comments 16
1. Citizen Participation Process for Community Development Programs 16
2. Housing & Community Development Act Citizens Advisory Committee 17
3. CAPER—2008/09 Process 17

E. Self-Evaluation 17

II. Community Development Block Grant Requirements 19

A. Use of CDBG Funds in Relation to Consolidated Plan Priorities, Needs, Goals, and Objectives 19

B. Nature and Reasons for Changes in Program Objectives 19

C. Efforts in Implementing the Planned Activities 20

D. Compliance with National Objectives 21
1. Low/Moderate-Income Area 21
2. Low/Moderate-Income Limited Clientele 21

E. Displacement and Relocation Activities 21

Table of Contents

Section **Page**

F. Use of Program Income 22
G. For Loans and Other Receivables 22

III. HOME Grant Requirements 23

A. Distribution of HOME Funds among Identified Needs 23
B. HOME Match Report 23
C. Contracting Opportunities for Minority- and Women-Based Business Enterprises 23
D. Summary of Results of On-site Inspections of HOME Rental Units 24
E. Assessment of Effective Affirmative Marketing Plans 24
F. Use of Program Income 24

IV. Actions to Overcome or Eliminate the Effects of Impediments to Fair Housing Choice 25

A. Analysis of Impediments to Fair Housing Choice 25
B. AI Recommendations and Actions Undertaken in Program Year 2008/09 27

Appendices—HUD Forms and IDIS Activity and Grant Summary Reports

A. Proof of Public Notice
B. HUD Forms
C. IDIS Reports

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER) CHECKLIST

General Requirements

Section **Page**

Evidence of public notice for CAPER Review ..... Appendix A
Assessment of progress toward 5-year goals ..... pp. 1–10
Assessment of progress toward 1-year goals ..... pp. 1–10
(also refer to discussion of each program)
Impediments to fair housing and actions to overcome them ..... pp. 25–31
Affordable housing actions for extremely low, low-/moderate-income renters and owners pp. 1–4
- Actions taken and accomplishments to meet worst-case needs ..... pp. 1–9
- Actions and accomplishments to serve people with disabilities ..... pp. 1–5
- Number of Section 215 housing opportunities created ..... p. 1
- Actions to meet supportive housing needs (including HIV/AIDS) ..... p. 5
- Actions to plan and/or implement continuum of care ..... p. 5
- Actions to prevent homelessness ..... p. 5
- Actions to address emergency shelter needs ..... p. 5
- Actions to develop transitional housing ..... p. 5

Actions and accomplishments to:
- meet underserved needs ..... p. 11
- foster and maintain affordable housing ..... pp. 11-12
- eliminate barriers to affordable housing ..... pp. 11-12
- fill gaps in local institutional structure ..... p. 13
- facilitate PHA participation/role ..... p. 11
- reduce lead-based paint hazards ..... p. 11
- reduce poverty ..... p. 12
- ensure compliance with program and planning requirements (include monitoring of CHDOs/subrecipient compliance) ..... p. 14

Leveraging of public and private funds ..... p. 16
Summary of citizen comments ..... p. 17
Analysis of successes and failures and actions taken to improve programs ..... p. 17

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

Section **Page**

Low-/moderate-income benefit ..... p. 21
Amendments and other changes to programs ..... p. 19
Completion of planned actions to:
- pursue all resources identified in plan ..... p. 18
- certify consistency for local applicants for HUD funds ..... p. 20
- support Consolidated Plan goals ..... p. 19

National objective failures, if any ..... p. 21
Actions taken to avoid displacement ..... p. 21
Compliance with URA ..... NA
If jobs were filled with over income people
- What was done to give low-/moderate-income first priority? ..... NA
- List job titles created/retained and those made available to low/mods. ..... NA
- Describe training for low-/moderate-income persons. ..... NA

For limited clientele activities, if any:
- the nature of the group that allows assumption of more than 51% low/mod ..... NA (refer to each program description)
- rehabilitation accomplishments and costs ..... pp. 1–2
- units completed for each type of program ..... pp. 1–2
- CDBG expenditures for rehabilitation ..... pp. 1–2
- other funds invested ..... pp. 1–5
- delivery costs ..... pp. 1–5

Neighborhood Revitalization Strategy area, if any:
- progress against established benchmarks ..... NA

CDBG Financial Summary Attachments:
- Reconciliation of cash balances ..... NA
- Program income, adjustments, and receivables ..... NA (see also Appendix C)

HOME

Distribution of HOME funds among identified needs ..... p. 23
HOME Match Report (HUD 4107A) ..... p. 23, Appendix B
Contracting opportunities for M/WBEs ..... p. 23
Summary of results of on-site inspections of HOME rental units ..... p. 24
Information about the use of program income ..... p. 24

IDIS Reports

IDIS Reports ..... Appendix C

I. General Assessment

A. Assessment of 5-Year Goals and Objectives

The Alhambra Consolidated Annual Performance and Evaluation Report (CAPER) for Program Year 2008/09 provides a general assessment of activities undertaken during the year to address priorities, goals, and objectives identified in the City of Alhambra's (City's) 2005–2010 Consolidated Plan. In addition, actions taken to affirmatively further fair housing, provide affordable housing, address the Continuum of Care, and leverage resources are described in the report. The remaining sections of the CAPER address specific projects and accomplishments in the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs during Program Year 2008/09. Program Year 2008/09 is the City of Alhambra's fourth year implementing the goals and objectives of the 2005–2010 Consolidated Plan.

1. Maintenance and Provision of Affordable Housing

5-Year Priority: Housing activities for the benefit of low- and moderate-income persons receive the highest priority in the 2005–2010 Consolidated Plan.

Implementing Programs in Program Year 2008/09: The key housing programs implemented include:

a. **Housing Rehabilitation Programs:** The Housing Rehabilitation budget consists of a total of $200,000 for CDBG-funded Exterior Grant projects, and $296,341 in HOME funds for the Housing Rehabilitation Program.

Exterior Grant Projects: The Exterior Grant Rehabilitation Program consists of a one-time grant to the owner of the property. A maximum of $10,000 per property will be granted for approved exterior improvements. These improvements will be mandated by the Housing Division in consultation with the Code Enforcement Division. The intent is to impact the overall exterior appearance of the property and thereby have a ripple effect on improving the aesthetics of the block, immediate neighborhood and the City in general.

Outcome/Objective Code: DH-1		*Decent Housing (DH) and Availability/Accessibility*	
2008/09 Objective:	*10 households*	*2008/09 Accomplishment:*	*2 projects completed; 8 projects underway*
Budget:	*$200,000 CDBG*	*Expenditure:*	*$ 26,062.03*
Total 5-yr Objective:	*50 households*	*Cumulative Total (%):*	*30 households (60%)*

Housing Rehabilitation Program (formerly known as the Owner-Occupied Loans & Grants Program): In December 2005, the City amended the Owner-Occupied Loans and Grants Program to include a rental rehabilitation component for rental properties of four units or less. The amendment also renamed the program to Housing Rehabilitation Program. The new Housing Rehabilitation Program offers assistance ranging from grants, zero interest deferred payment loans. Owner-occupants are those with household incomes not exceeding 80 percent of the Los Angeles County median income. Eligible rental property owners must adjust rents to comply with home program rents designed to provide affordable rental housing.

During Program Year 2008/09, two property rehabilitation projects were completed. Rehabilitation activities included roof work, driveway improvements, exterior painting, and general interior and exterior improvements.

Outcome/Objective Code: DH-1		*Decent Housing (DH) and Availability/Accessibility*	
2008/09 Objective:	*6 households*	*2008/09 Accomplishment:*	*2 projects completed; 7 projects underway*
Budget:	*$296,341*	*Expenditure:*	*$ 114,373.62 CDBG* *$146,420.68 HOME*
Total 5-yr Objective:	*30 households*	*Cumulative Total (%):*	*11 households (37%)*

b. **First-Time Homebuyer Program:** For Program Year 2008/09, $290,000 in HOME funds were allocated to the First-Time Homebuyer Program. Using these funds, the City offers downpayment assistance to residents of Alhambra with an income level of 80 percent or below the Los Angeles area median. The program offers up to $75,000 in down-payment assistance and $15,000 for home rehabilitation. The new maximum assistance per applicant can be up to $90,000. The goal of the program is twofold: to increase the percentages of homeowners in the community, and to stabilize residential neighborhoods by increasing the number of persons who have a strong economic stake in the overall appearance of their neighborhoods. The City amended this program to include a second component related to the acquisition, rehabilitation and/or new construction of housing for qualified low/moderate income persons, including those already participating in the City's First Time Home Buyer Program.

During Program Year 2008/09, the City prequalified four applications. These four applicants are currently in the process of looking for a home. The City is also currently in the process of purchasing five properties for the First Time Homebuyer Program which it will rehab and sell to a qualified First Time Homebuyer.

Outcome/Objective Code: DH-2		*Decent Housing (DH) and Affordability*	
2008/09 Objective:	*7 households*	*2008/09 Accomplishment:*	*0 families have purchased homes; 4 applicants in the process of searching for a home*
Budget:	*$290,000*	*Expenditure:*	*$ 862,362.43*

Total 5-yr Objective: 35 households	*Cumulative Total (%): 5 households (14%)*

c. **CHDO:** As required by HUD, the City allocates 15 percent of its total annual HOME funds to a qualified Community Housing Development Organization (CHDO) to develop, manage, or sponsor affordable housing projects. In FY 2006/07, the City provided HOME funding to a CHDO to acquire 15 N. Valencia Avenue for the construction of an affordable senior housing project. That allocation included prior and future CHDO requirements for FY 2000/01 through FY 2010/2011. Therefore, the City can be considered as having met the CHDO requirement for FY2008/09 with the 15 N. Valencia project. For Program Year 2008/09, $117,268 was allocated to AOF Golden State Development Corporation for site acquisition (15 N. Valencia) and remodel of the above-mentioned senior housing project.

Outcome/Objective Code: DH-1		*Decent Housing (DH) and Availability/Accessibility*	
2008/09 Objective:	*Two to 6 housing units*	*2008/09 Accomplishment:*	*An 11-unit senior rental housing project has been completely remodeled and is now fully occupied.*
Budget:	*$117,268*	*Expenditure:*	*$0*
Total 5-yr Objective:	*20 housing units*	*Cumulative Total (%):*	*11 housing units completed (55%)*

d. **Fair Housing Services:** The City contracts with the Housing Rights Center to provide fair housing services and landlord tenant counseling services to residents of Alhambra. An allocation of $27,000 in CDBG funds was provided to the Housing Rights Center. In Program Year 2008/09, the Housing Rights Center served 415 clients on the City's behalf. Nearly all clients called for assistance with general housing services and 0.5 percent required assistance with housing discrimination. As needed, referrals to other agencies were provided and appropriate pieces of literature regarding fair housing information were distributed.

Based on the U.S. Department of Housing and Urban Development's (HUD's) new racial/ethnic category reporting requirements, the racial/ethnic breakdown of clients was as follows:

Race
- 1 (<1%) American Indian or Alaskan Native
- 1 (<1%) American Indian or Alaskan and Black/African American
- 3 (<1%) American Indian or Alaskan and White
- 108 (26%) Asian
- 9 (<1%) Black/African American
- 264 (64%) Other
- 2 (<1%) Pacific Islander
- 51 (12%) White/Caucasian

Ethnicity
- 105 (25%) Hispanic (Mexican/Chicano)
- 98 (24%) Other Hispanic/Latino

- 232 (56%) Not Hispanic/Latino
- 1 (<1%) Cuban

About 14 percent of the clients were female heads of household, 13 percent were seniors, and 12 percent were persons with disabilities. The number of clients assisted with discrimination inquiries or complaints has increased dramatically from five in 2007/08 to 23 in 2008/09.

Outcome/Objective Code: DH-1		*Decent Housing (DH) and Availability/Accessibility*	
2008/09 Objective:	*500 people*	*2008/09 Accomplishment:*	*415 people served*
Budget:	*$25,000*	*Expenditure:*	*$ 22,548*
Total 5-yr Objective:	*2,500 people*	*Cumulative Total (%):*	*1,897 people (76%)*

Geographic Distribution: Programs are not limited to specific neighborhoods during the five-year planning period. The City intends to preserve well-maintained areas by offering assistance to property owners who otherwise would not be able to afford to maintain their properties, while offering assistance to property owners to upgrade properties in the deteriorated parts of the city. All of Alhambra's housing programs are offered for the benefit of low-income persons on a citywide basis using CDBG and HOME funds. This policy is reflective of both the distribution of the lower-income persons throughout the city and the reality of the physical characteristics in the city where "slum and blight" does not occur in clusters but in spot situations dispersed throughout the city.

Administration: The Housing Rehabilitation staff consists of one Deputy Development Services Director who oversees the affordable housing activities of the City and Redevelopment Agency, one full-time Housing Project Manager, one Rehabilitation Specialist, one full-time Housing Aide and one half-time Clerical Assistant. The Deputy Development Services Director is responsible for the overall rehabilitation program. The Rehabilitation Specialist spends 100 percent of the time working on rehabilitation projects. The Housing Project Manager spends 25 percent working on rehabilitation projects, 25 percent working with the Housing Rights Center, 25 percent assisting the residents with the First Time Homebuyer Program, the City CHDO projects and other new housing construction projects, and 25 percent on other administrative tasks. The Housing Aide assists the Rehabilitation Specialist and the Housing Project Manager in the rehabilitation projects and First Time Homebuyer Program. Up to 15 percent of HOME and CDBG funds allocated for the Housing Rehabilitation and First-Time Homebuyer programs may be used for program delivery costs to pay for staffing and other direct costs associated with implementing these programs. General planning and administration costs for the CDBG and HOME programs will be subject to the 20 percent CDBG and 10 percent HOME caps.

2. Programs to Meet Homeless Needs

5-Year Priority: The homeless needs of Alhambra are modest. According to the Alhambra Police Department, Community Policing Section, the City generally has 6 to 18 homeless individuals residing in the City. At the very most, the City is home to 25 to 50 homeless persons. Police have noticed an increase in the number of homeless persons in the City during 2007. As such the 2005-2010 Consolidated Plan established only a low priority for emergency shelter needs.

Implementing Programs in Program Year 2008/09: The key programs implemented to meet the City's homeless needs include:

a. **Continuum of Care for the Homeless:** The City takes a regional approach to homelessness. The relatively small need in the City does not justify designing a program specifically for the homeless. Rather, through cooperative relationships with nonprofit organizations, such as the Housing Rights Center (HRC), the Los Angeles Homeless Service Authority (LAHSA), the Greater Pasadena Housing and Homeless Network, and Alhambra Lutheran Social Services, the City provides referrals and assistance to homeless individuals.

Homeless services are available to persons in need Citywide and homeless prevention efforts through the Fair Housing program are provided by the Housing Rights Center. Other homeless services and facilities are provided by agencies located throughout the San Gabriel Valley, which help prevent homelessness in the City. Fair housing services assist those who are at risk of becoming homeless by improving tenant/landlord relationship, reducing evictions, and assisting households in finding adequate housing.

b. **Homeless Prevention**: The City contracts with the Housing Rights Center to provide fair housing services, which help prevent homelessness in the City. Fair housing services assist those who are at risk of becoming homeless by improving tenant/landlord relationship, reducing evictions, and assisting households in finding adequate housing.

c. **Emergency shelters and supportive services**: The City refers homeless persons to the following establishments:

- *Lutheran Social Services (Alhambra)* – referrals and emergency services
- *Door of Hope (Pasadena)* – financial and marital counseling for families
- *Lighthouse Recovery Home (Pasadena)* – drug and rehab counseling for men
- *Union Station at Raymond Avenue (Pasadena)* – emergency services for homeless individuals and families
- *San Gabriel Community Rehab Services (San Gabriel)* – drug and alcohol rehabilitation counseling
- *LAHSA (Los Angeles)* – umbrella agency coordinating homeless services and facilities in Los Angeles County

As part of the City's Housing Element update for the 2008-2014 planning period, the City addressed the provision of emergency shelters and transitional housing for the homeless, pursuant to State law. The Zoning Ordinance will be amended by July 2010 to include zoning provisions for emergency shelters, transitional housing, supportive housing, and single-room occupancy unit housing.

d. **Transitional Housing**: The City provides referrals to the following transitional housing facilities:

- *Casa De Richard Chavez (Los Angeles)* – transitional housing for homeless disabled persons

- *Euclid Villa Apartments (Pasadena)* – transitional housing for families

e. **Permanent Housing**: The City assists the homeless in transitioning into permanent housing using Section 8 rental assistance. According to the Los Angeles County Housing Authority, 465 Alhambra households are receiving Section 8 assistance currently.

3. Public Improvements and Community Services

5-Year Priority: The 2005–2010 Community Development Needs Table (HUD Table 2B) identifies a high priority for senior disabled services and youth services. Assistance to seniors and at-risk youth are qualified for CDBG funds under the Limited Clientele objective.

Implementing Programs in FY 2008/09: Public services provided with CDBG funds include:

a. **Youth Services Counselors:** In Program Year 2008/09, $65,000 in CDBG funds were allocated to provide funding for one of two youth services counselors. The City funds two Youth Services Counselors with CDBG and general funds, with CDBG funds covering roughly half of the costs. The counselors provide short-term counseling services (10 to 12 weeks) to victims of abuse and at-risk or runaway youths (and their families) who have not been petitioned into the juvenile justice system. However, if the goals have not been met within the short term, the Counselors may extend the services. The Counselors also work closely with other youth programs such as DARE and other diversion programs.

Outcome/Objective Code: SL-1		*Suitable Living (SL) Environment and Availability/Accessibility*	
2008/09 Objective:	*150 youths*	*2008/09 Accomplishment:*	*490 new clients served*
Budget:	*$65,000*	*Expenditure:*	*$65,000*
Total 5-yr Objective:	*500 youth*	*Cumulative Total (%):*	*1,750 youth (350%); 5-year objective has been exceeded*

b. **Case Management:** An allocation of $141,599 in CDBG funds was used to provide for three full-time and four part-time staff, as well as services, supplies, and overhead for the Case Management program for Program Year 2008/09.

Case Management clients come directly from City referrals such as Joslyn Center staff and volunteers, Police Department, Code Enforcement, and service providers such as Senior Ride staff. Services included case management of individual clients, targeting low-income ethnic minorities (Chinese, Hispanic, and Vietnamese) and disabled persons living alone; in-home services such as telephone reassurance calls and friendly visits, targeting low-income frail elderly persons; and minor home modification for frail elderly persons and low-income minorities.

In Program Year 2008/09, the Case Management program served 755 clients (179 of whom were new clients) and made 479 telephone reassurance calls. Also, 254 Meals-on-Wheels clients were served.

Outcome/Objective Code: SL-1		*Suitable Living (SL) Environment and Availability/Accessibility*	
2008/09 Objective:	*275 seniors*	*2008/09 Accomplishment:*	*666 seniors; 159 new clients*
Budget:	*$141,599*	*Expenditure:*	*$141,600*
Total 5-yr Objective:	*1,250 seniors*	*Cumulative Total (%):*	*5,089 seniors (407%), 5-year objective has been exceeded.*

Geographic Distribution: Public and most supportive services, such as Case Management, are available to eligible residents citywide. The Youth Services program is available to residents within the City of Alhambra and students within the Alhambra School District "catchment" area.

Administration: The Youth Services Counselors operate out of the Police Department at 211 S. First Street. The Case Management program operates at the Joslyn Adult Center at 210 N. Chapel Avenue.

4. Code Enforcement

5-Year Priority: The primary goal of code enforcement is to preserve and improve the integrity of residential neighborhoods, commercial and industrial districts, and to maintain a high quality of life and property values.

Implementing Program in FY 2008/09: The Code Enforcement Division is responsible for providing uniform enforcement regarding a variety of municipal, state and county codes that regulate property maintenance and health and safety concerns. The City is dedicated to the removal and prevention of blight and unsightly conditions for the purpose of creating a better environment in which to live and work through the efforts of its Code Enforcement Division. Code Enforcement in Alhambra is both reactive and proactive. The former is enforcement action in response to a complaint, and the latter is enforcement based on observation by the Code Enforcement staff.

a. **Code Enforcement in Low- and Moderate-Income Neighborhoods:** An allocation of $275,000 in CDBG funds was provided to the Code Enforcement program in Program Year 2008/09. During the program year, the Code Enforcement Division received and investigated a total of 2,280 complaints. Of those complaints, 482 were in areas identified as low- and moderate-income areas. Of all complaints received, 2,108 were confirmed and the violators were notified. In addition, the Code Enforcement staff observed 2,150 code violations in the field.

Outcome/Objective Code: SL-1		*Suitable Living (SL) Environment and Availability/Accessibility*	
2008/09 Objective:	*To perform Code enforcement on 3,000 properties*	*2008/09 Accomplishment:*	*482 complaints in the low- and moderate-income areas were investigated. As a result, neighborhood conditions for all were improved in low- and moderate-income areas.*
Budget:	*$275,000*	*Expenditure:*	*$291,116.46*
Total 5-yr Objective:	*15,000 properties, 4,000 in the target area*	*Cumulative Total (%):*	*7,822 properties (196% of target area objectives)*

Geographic Distribution: The program is eligible under Low/Mod Area Benefit. Code enforcement funded with CDBG funds will be performed in the low and moderate income areas.

Administration: The CDBG program funds approximately 60 percent of the Code Enforcement division that consists of four full-time code enforcement officers. The project is administered out of City Hall at 111 S. First Street, Alhambra.

5. Commercial Rehabilitation/Economic Development

5-Year Priority: To attract consumers and make the business district an attractive place to shop. The rehabilitation of existing commercial buildings is a high priority in the 2005-2010 Consolidated Plan. Many commercial establishments along Main Street and Valley Blvd. are in need of physical improvement to remodel obsolete facilities and improve the exterior appearance of structures and sites to attract a variety of retail establishments to the City's commercial areas.

Implementing Programs in FY 2008/09: The centerpiece of Alhambra's economic development/ revitalization strategies is to create an accessible Main Street that is within walking distance to a rich mix of housing types and income groups. Furthermore, along this corridor, job creation is being promoted to reduce poverty in the community. These efforts help reduce automobile trips and improve the housing/job balance. Currently, the City has been successful in clustering senior housing and related facilities, public services, shops and restaurants along Main Street.

a. **Economic Development:** A successful economic development strategy depends on the City's ability to attract new businesses and to retain existing businesses. The program works with commercial property owners and potential business owners to assist and attract new business into the downtown area. The City will offer financial incentives to assist business in locating/relocating to Alhambra. The City also provides financial assistance to buildings/properties along Valley Blvd., between Atlantic and the 710 Freeway, in need of exterior facade improvements. Projects to be pursued will be determined throughout the year. It is also intended to meet the national objectives of job creation and retention and the high incidence of spot Slum and Blight in a traditional older downtown. This program complements the City's existing business outreach efforts to those small business owners in

Alhambra who are invited to meet with the City Manager and staff to discuss and find solutions for some of their problems where possible.

Outcome/Objective Code: EO-3		*Economic Opportunity (EO) and Sustainability*	
2008/09Objective:	*1.5 full-time equivalent*	*2008/09 Accomplishment:*	*0 jobs were created during FY 2008/09*
Budget:	*$5,000*	*Total Expenditure:*	*$82,823.50*
Total 5-yr Objective:	*20 full-time equivalent*	*Cumulative Total (%):*	*14 jobs (70%)*

Geographic Distribution: Economic development efforts are focused along Main Street in the downtown area and Valley Blvd. between Atlantic and the 710 Freeway.

Administration: The Development Services Department/Redevelopment Agency administered the economic development program in the city.

6. Repayment of Section 108 Loans

To facilitate the much-needed economic development in Alhambra, the City utilized two Section 108 loans, which must be repaid with CDBG funds. For Program Year 2008/09, $474,890 in CDBG funds were allocated to repay two Section 108 loans.

a. **Fremont Plaza:** The first Section 108 loan was for the construction and rehabilitation of Fremont Plaza ($3,000,000), which now includes Toys R Us, Party City, PetSmart, Taco Bell, and El Pollo Loco. The annual payment is approximately $300,000. This loan will be paid off in 2015.

Outcome/Objective Code: EO-3		*Economic Opportunity (EO) and Sustainability*	
Budget:	*$291,664*	*Expenditure:*	*$269,307.39*

b. **Main Street Rehabilitation:** The second Section 108 loan was for the rehabilitation of Main Street between Sixth Street and Almansor Street ($2,025,000). This loan will be paid off in 2016. An Economic Development Initiative (EDI) Grant of $675,000 was also secured to supplement funding for the revitalization of Main Street. The Section 108 projects included: LA Fitness/Baja Fresh (30 jobs), Perfectly Sweet (9 jobs), Penny Lane (2 jobs), Denny's (28 jobs), and Ross Dress for Less (30 jobs); almost 100 jobs were created.

Outcome/Objective Code: EO-3		*Economic Opportunity (EO) and Sustainability*	
Budget:	*$183,226*	*Expenditure:*	*$171,419.14*

7. Planning and Administration

The FY 2008/09 Action Plan allocated $192,932.59 in CDBG funds and $78,182.70 in HOME funds for the implementation of the CDBG and HOME programs, respectively. Funds were used to cover costs for salaries, services, supplies, and general overhead. The CDBG and HOME programs, implemented out of City Hall at 111 S. First Street, were delivered by the Deputy City Manager and Director of Development Services, under the direction of the City Manager.

CDBG Budget:	*$190,840*	*Expenditure:*	*$ 192,932.59*
HOME Budget:	*$78,179*	*Expenditure:*	*$78,182.70*

B. Other Actions

1. Public Housing

The City of Alhambra does not have any public housing developments.

2. Lead-Based Paint Hazard Reduction

More than 70 percent of the housing units in Alhambra were built prior to 1970, indicating a significant portion of the housing stock with potential lead-based paint health hazards. The City will continue to require that all rehabilitation projects funded with CDBG and HOME funds be tested for lead-based paint, in compliance with HUD regulations. Lead-based paint warnings will continue to be distributed with the application for assistance. All applicants will continue to be required to sign and return the lead-based paint warning to verify that they have read its contents and are aware of the dangers lead-based paint presents.

The rehabilitation programs are designed in such a way that if lead-based paint is found to be in a household and poses a threat to its occupants, it will be removed per HUD lead-based paint regulations and the cost incorporated into the housing program that they have applied for. Factors such as housing conditions and age of household members are taken into consideration when determining lead-based paint danger.

The City contracts with a professional lead testing service to identify and address lead based paint hazards at City funded property rehabilitation projects.

3. Addressing Obstacles to Meeting Underserved Needs

The major obstacle to meeting underserved housing and community development needs in the City is a lack of sufficient resources to address all of the needs that exist. To supplement federal CDBG and HOME funds, the City will use redevelopment set-aside funds to provide affordable homeownership opportunities and rehabilitation assistance to low and moderate income households.

In addition, the City will continue to explore new funding sources and programs and opportunities to partner with other jurisdictions and the private sector.

4. Removing Barriers to Affordable Housing

The City continued to utilize several methods to offset the potential negative effects of policies that might act as barriers to affordable housing. As called for in the City's Housing Element, the following actions removed barriers to affordable housing:

a. **"One-Stop" Streamline Permit Process:** The Planning and Building Departments have streamlined the permit process to provide contractors and homeowners with an easy step-by-step guide to the permit process. On large-scale projects, Agency staff conducted pre-construction coordination meetings with project proponents and all City staff who play a role in the construction process to help ensure a smooth running project.

b. **Flexible Development Standards:** The City allows for flexible development standards in the R-3 zone to promote higher quality multiple family residential development, to encourage innovative design and efficient use of land that might otherwise be stifled by rigid development standards, to encourage consolidation of parcels, and permit developments to be judged on individual merits. The flexible development standards provision allows for variation from up to three of the provisions required by the R-3 zone, three provisions required by the property development standards, and three provisions required by the design standards. In addition, flexible parking standards may also be requested and are subject to approval by the Planning Commission. Flexible development standards are restricted to lots 40,000 square feet and larger. The City has used this tool several times to facilitate development of housing.

c. **Revised Program Criteria and Assistance Level:** To address the market constraints placed by rising housing prices in the community, the City recently revised the First-Time Homebuyer Program to increase the downpayment assistance level. A site acquisition component has also been added to the First-Time Homebuyer Program to assist with the assemblage and acquisition of sites for the construction of housing to be occupied by first-time homebuyers.

5. Anti-Poverty Strategy and Coordination

According to the 2000 Census, 14 percent of all Alhambra residents were living below the poverty level. Among all families with children, more than 16 percent were living below the poverty level. The situation was the worst for female-headed families with children, with 28 percent living below the poverty level in 2000. Between 1990 and 2000, the City experienced an influx of recent immigrants; many of these new residents might not be financially established and might be living below the poverty level.

One of the most significant efforts taken by the City in this area is job creation and retention. Through the CDBG Section 108 Loan Guarantee Program, the City has used these funds to create several hundred new jobs throughout the City. The availability of these jobs created a positive ripple effect in the community.

Another anti-poverty effort is the Adult Literacy Program. While this program is not funded with CDBG funds, the City provides assistance to this program using general funds in order to help some lower income persons better assimilate into mainstream and improve the ability to earn living wages.

6. Institutional Structure

The City's major constraint in implementing the CDBG and HOME programs effectively is the lack of consistent staff due to the turnover of several staff members in the past few years. To overcome this gap in program administration, the City continued to retain a consultant to assist in report preparation. City staff continued to be responsible for delivering programs and projects. The City has been able to build up the capacity of its staffing to handle the administration of CDBG and HOME funds. Reliance on outside consultants is limited.

7. Coordination

The City works with the Housing Rights Center to provide fair housing services. In addition, the City partners with a number of non-profit organizations to ensure the homeless and special needs groups are served.

Currently, the City is working with a number of locally certified Community Housing Development Organizations (CHDO) to expand the City's affordable housing stock. The City will continue to identify additional qualified CHDOs to help rehabilitate and construct affordable housing.

8. Program Specific Requirements

a. **Community Development Block Grant (CDBG) Program:** The City of Alhambra proposes to fund the projects listed in the "Activities to be Undertaken" section of the Action Plan. They consist of Section 108 loan payment, administration, fair housing services, housing rehabilitation, code enforcement, public services, and economic development activities. The case management program and youth services counseling program are qualified under the "Limited Clientele" eligibility. Code enforcement activities are eligible under the "Low/Mod Area" eligibility. Housing programs are available citywide to income-qualified households. Commercial rehabilitation/economic development activities are qualified under the "Job Creation" objective. Fair housing services are mandated by CDBG regulations and are available to residents citywide. The City received from HUD $1,377,329 in CDBG funds for FY 2008/09.

b. **HOME Investment Partnership Program**: The HOME program was created under the National Housing Affordability Act of 1990. Under HOME, HUD will award funds to localities on the basis of a formula which takes into account tightness of the local housing market, inadequate housing, poverty, and housing production costs. Localities must qualify for at least $500,000, based on HUD's distribution formula, to receive direct allocation of funds, or can apply to the State or combine with adjacent jurisdictions.

The Housing and Community Development Act of 1992 amending the National Affordable Housing Act requires participating jurisdictions to provide matching contributions of 30 percent of HOME funds spent for new construction and 25 percent of HOME funds spent for other HOME projects. The 1992 Act also reduces a local participating jurisdiction's matching requirement by 50 percent for a jurisdiction that certifies that it is in severe fiscal distress. Alhambra received $781,788 in FY 2008/09. The HOME funds were instrumental in facilitating the construction of new affordable housing and assisting first time homebuyers. Typically, the City uses redevelopment housing set-aside funds as matching funds for the HOME program.

9. Monitoring

The City conducts monitoring reviews of selected activities to determine whether the programs are being carried out in accordance with its Consolidated Plan, and in a timely manner. All programs and projects are reviewed in November with respect to their expenditures to determine if the program/project is moving forward in a manner that will allow for the timely expenditure of the funds allocated to it. On-site monitoring takes place in January, and is conducted by the Deputy City Manager or their designee to ensure that statutory and regulatory requirements are being met. These policies and procedures are for internal monitoring only, and do not preclude HUD from making scheduled or unscheduled monitoring visits to any or all of the City's programs/projects to review documentation and files.

The City uses several tools to measure the success of its programs in meeting local housing and community development needs. HUD requires that the City submit annual reports on its performance in carrying out the program goals in the Consolidated Annual Performance and Evaluation Report (CAPER) for the CDBG and HOME Programs.

Monitoring Standards and Procedures: Internally, monitoring of the affordable housing program is accomplished by City staff using currently operating internal controls and management systems. The controls are designed to ensure maintenance of complete and accurate program and financial records, continuous tracking of program progress on a case- by-case basis, separation of job duties, provision of periodic reports and public access to program documents. The City has established requirements for the publishing and review of consultant/contractor RFPs and contracts, as well as requests for payment.

In order to ensure public review of the housing programs and to allow for citizen comments on goals and progress, all new housing projects require hearings before the Planning Commission. All requests for funding require a hearing before the City Council, and citizen input is received monthly (or as meetings are held) by the Housing and Community Development Citizen Advisory (HCDA)

Committee. In addition, public review meetings on CDBG-funded activities are held annually on proposed programs.

The City's internal monitoring system is organized to maintain adequate records to ensure compliance with State and Federal regulations regarding Nondiscrimination/Equal Opportunity, Minimum Wage, Davis Bacon, Section 504/Handicapped Accessibility, Federal Housing Quality Standards and other mandated Federal Rules.

The City monitors its one sub-recipient, the Housing Rights Center, on a quarterly basis. The City also continues to implement its housing programs in accordance with the Housing Element. Alhambra's current Housing Element for the 2008-2014 planning period has been determined by the California Department of Housing and Community Development to be in compliance with State law.

Intake Procedure for Housing Programs: All housing programs require applicants to complete a pre-qualification form to determine: 1) whether the applicant is at or between applicable level of median income; 2) household size and relationships; 3) legal citizens or residents of the United States. If the pre-qualification form is approved, the applicant must provide proof of household income; a satisfactory credit report, and proof of household size of family to number of bedrooms.

For rehabilitation assistance, if the applicant receives preliminary approval that they meet the program guidelines, City staff inspects the property to determine that the proposed rehabilitation work is required and that the property meets housing quality standards. Staff will also order a Pest Control Report, test for lead paint and asbestos as needed.

Tracking System: The Director of Development Services and staff use a rehabilitation board, located in the staff work area, to track the progress of various projects. This board provides a visual tracking system for checking on projects completed, in progress, or on hold as well as the staff member handling the project.

Monitoring/Evaluation: Each Rehabilitation staff person is responsible for monitoring his or her own project(s). However, the Director of Development Services does review each project during different phases to ensure rehabilitation works are eligible activities.

For the City's First-Time Homebuyer Program, because of the high costs of ownership housing in the City, it often takes a household approved for City assistance at least a few months to find a home that they can afford and that meets program home value limit. To ensure that approved households continue to qualify for assistance and are committed to participating in the program, the City instituted an effective procedure in 2002. Households approved for First-Time Homebuyer assistance must re-certify their income and commitment every six months while they are looking for a home to buy.

Internal Quality Control Plan: Staff ensures that all requirements for loan approval are met by using a financial institution to assist in reviewing the application and credit history of an applicant prior to issuing a loan. Staff also ensures quality workmanship on the part of the contractor by inspecting the work on a regular basis, checking references and license before authorizing work, and by checking all the work thoroughly before payment. Finally, staff also uses the Building Division

Inspectors expertise when questions arise related to building codes. In addition, the Housing Division has ongoing weekly staff meetings devoted to case review.

The City of Alhambra uses its Code Enforcement program to ensure compliance with housing codes through the City. The City will ensure long-term compliance with housing codes, including any actions or onsite inspection it plans to undertake during the program year.

C. Leveraging Housing and Community Development Resources

As a city with substantial housing and community development needs, Alhambra needs to leverage its CDBG and HOME entitlement grants with a variety of funding resources to maximize the effectiveness of available funds. To leverage funding for commercial rehabilitation and economic development activities, the City utilized redevelopment tax increment funds, two Section 108 loans, and an Economic Development Initiative Grant. The availability of these resources has greatly improved the City's ability to address community development needs.

For housing activities, the primary funding sources for leveraging CDBG and HOME funds are redevelopment housing set-aside funds. The Alhambra Redevelopment Agency funded the following affordable housing projects with redevelopment set-aside funds:

Project	Address	Tenure	Type	Total Units	Affordable Units	Affordability Level
Almansor Court Town homes	309 Almansor Ave.	Ownership	Family	6	4	Moderate
Olivas Duplex	1700 W. Pepper	Ownership	Family	2	2	Moderate
Fifth and Woodward	480 W. Woodward	Ownership	Senior	33	4	Low
Regency Court and Plaza	500 W. Main	Ownership	Family	80	16	Low/Mod.
1704 S. Granada	1704 S. Granada	Ownership	Family	1	1	Moderate
3005 W. Ramona Rd.	3005 W. Ramona Rd.	Ownership	Family	1	1	Low.
15 N. Valencia	15 N. Valencia	Rental	Senior	11	11	Low/Mod.
3001 Front St.	3001 Front St.	Ownership	Family	1	1	Low

D. Citizen Participation and Comments

1. Citizen Participation Process for Community Development Programs

The effectiveness of citizen participation is enhanced when both the citizens and elected officials are aware of the benefits. One benefit is, of course, the variety of points of view that citizens can bring

to local government planning in areas such as affordable housing, neighborhood revitalization, human services, and neighborhood organization.

The cornerstone of this process is the Housing and Community Development Act Citizens Advisory Committee (HCDA), which represents the diverse population of the city. The members oversee the consolidated planning process from development to evaluation. Information is provided to citizens regarding local meetings, information, and records relating to the proposed use of funds; the range of activities to take place; the expected amount of funds; and the actual use of funds to benefit low- and very low–income persons.

Enabling the citizen, particularly the low- to moderate-income program beneficiaries, to voice his or her concerns, preferences, and needs allows the elected official to learn the public's feelings, while at the same time allowing citizens to realize that the officials elected to represent them are indeed concerned and make choices which will best serve the community.

Citizen participation provides for problem identification, proposing solutions to problems, goal setting, balancing needs, determining priorities, and recommending which projects should become part of the City's Annual Action Plan. These goals are met through a collaborative process. At a minimum, two public meetings are held to obtain citizen input on the utilization of existing programs.

Citizen comments and suggestions are incorporated into a proposed funding allocation. These proposed projects are reviewed per the Code of Federal Regulations by the HCDA Committee and then forwarded to the City Council for consideration.

2. Housing and Community Development Act Citizens Advisory Committee

The HCDA is a 10-member volunteer/appointed group that serves in an advisory capacity to the City Council relative to the CDBG and HOME programs and other community issues. Each member of the City Council appoints two members. Generally, the HCDA meets the first Tuesday of each month. All HCDA meetings are conducted in an open manner, with freedom of access and discussion for all interested persons.

Technical Assistance: Besides administering, planning, and evaluating the CDBG and HOME programs, the deputy City manager will serve as a technical advisor to HCDA and interested parties in developing project proposals. Staff also prepares a comprehensive development strategy that describes the types of projects, which would have the most significant impact in the community.

3. CAPER 2008/09 Process

The CAPER was considered by HCDA on September 1, 2009 at 7:00 p.m.

The CAPER was available for public review and comment from September 2 through September 17, 2009. The report was available at City Hall and on the City's Web site at www.cityofalhambra.org.

E. Self-Evaluation

The City of Alhambra has followed the blueprint established in the HUD 2005–2010 Consolidated Plan regarding priority needs. Primary needs continue to exist in the area of housing and home purchasing assistance. Home ownership and property rehabilitation are excellent neighborhood stabilization/revitalization strategies. The activities and strategies pursued by the City during the reporting period made an impact on the needs identified in the Consolidated Plan. Most projects and goals set out in the FY 2008/09 Action Plan were either completed or initiated. Future challenges lie in developing a more concentrated intervention in certain neighborhoods to achieve revitalization; this applies to residential, mixed-use development and retail areas of the city.

The use of federal and nonfederal resources for job creation, along with neighborhood and housing preservation, coupled with continued support of home ownership opportunities, will continue to be the priority activities for Alhambra.

Staff remains in close communication with other service providers and agencies, and can adequately accommodate and make changes when necessary.

In accordance with HUD's recent directive notice (CPD-03-09) encouraging performance measurement, the City continued to report on quantifiable goals and objectives to provide for performance measurement of the City's CDBG and HOME program activities since the adoption of the 2005–2010 Consolidated Plan. Cumulative measures of performance can be found in the tables below each activity.

II. Community Development Block Grant Requirements

A. Use of CDBG Funds in Relation to Consolidated Plan Priorities, Needs, Goals, and Objectives

The highest priority need categories identified in the 2005–2010 Consolidated Plan are:

- Affordable Housing: for lower- and moderate-income households, particularly for seniors
- Public Services: crime awareness, senior services, lead hazard screening, adult literacy, fair housing, and youth services
- Public Improvements: streets, curbs, gutters, sidewalks, streetlights, sewers, storm drains, traffic signals, electrical distribution systems, off-street parking, landscaped areas, and under grounding of existing utilities
- Economic Development: commercial rehabilitation and economic development efforts concentrated on the Main Street/downtown area and Valley Blvd.
- Code Enforcement

CDBG and HOME funds were provided to support activities in each category. Refer to Section I.A, "Assessment of Five-Year Goals and Objectives," for specific activities undertaken and accomplishments achieved.

B. Nature and Reasons for Changes in Program Objectives

The City's Section 108 loan agreements with HUD require that the City guarantee payment of the loans with annual entitlement funds. Each year, the City sets aside approximately $500,000 in CDBG entitlement grants for the repayment of the two Section 108 loans. The program income from the Fremont Plaza project (funded with Section 108) is used to repay the Section 108 loans, and usually the amount generated is adequate to cover almost the entire payments. Therefore, each year the City has approximately $500,000 of unspent CDBG funds that are available for reprogramming. However, the City recently started a new process of identifying backup projects to be funded with excess CDBG funds. As program income becomes available, the City selects projects from the backup projects list for implementation, thereby making amendments unnecessary.

The City made an amendment to the HOME program during FY 2008/09. On February 23, 2009, the City adopted an amendment to increase the level of funding currently allocated to the Home Buyer Program and to modify the Housing Rehabilitation Program to do a Rental Housing Project. This program allows the City to buy a home, rehab it and sell it to a qualified participant in the City's First Time Home Buyer Program. Since its creation the City has acquired, rehabbed and sold 2 homes through this program and recently purchased 3 more. Staff is seeking authorization to increase the funding for this program by $1,000,000 for both the purchase of property for this program, as well as to provide downpayment assistance to qualified First Time Homebuyers.

The City passed a second amendment to the CDBG program during FY 2008/09. On May 11, 2009, the City adopted an amendment to the 2008/2009 Annual Action Plan for the use of the American Recovery and Reinvestment Act Community Development Block Grant Funds (CDBG-R) for providing ADA Accessibility improvements at the Joslyn Center, where senior citizens throughout Alhambra congregate to participate in classes and recreational activities. The updates would provide needed accessibility opportunities for disabled citizens and senior citizens to access the services provided by the center, which include counseling and other assistance, in addition to recreation. The project would include additional and improved ADA wheelchair ramp access, ADA accessible automatic doors, ADA accessible bathroom facilities, and other ADA safety upgrades to the facility, including flooring, signage, and related miscellaneous improvements. The proposed budget would be approximately $190,000.

The City also plans to use American Recovery and Reinvestment Act Community Development Block Grant (CDBG-R) funds for providing ADA Accessibility to curbs at street crossings. The project would install ADA wheelchair ramp curb cuts at street crossings throughout the City, as well as indicators for the visually impaired. This would accommodate not only the wheelchair bound citizens, but also the visually impaired, providing greater access to City services through increased mobility. The proposed budget would be to construct approximately 60 ramps at the estimated cost of $3,000 per ramp, for a maximum of $180,000.

In addition, the City plans to use American Recovery and Reinvestment Act Homelessness Prevention (HPRP) funds to provide temporary financial assistance and necessary services to prevent individuals and families from becoming homeless, and to enable those who are experiencing homelessness to be quickly re-housed and stabilized. The City of Alhambra will use these funds to provide assistance in a variety of ways, such as: short-term or medium-term rental assistance, which may include vouchers, and/or housing relocation and/or stabilization services, such forms of assistance could come from mediation, credit counseling, security or utility deposits, utility payments, moving cost assistance, and case management. The City of Alhambra is prepared to spend the allotted $567,605 over the next two to three years.

C. Efforts in Implementing the Planned Activities

As seen in the accomplishments identified in Section I.A, "Assessment of Five-Year Goals and Objectives" the City of Alhambra has actively pursued the activities and programs outlined in the FY 2008/09 Action Plan. The City did not hinder the plan's implementation by action or inaction.

The City did not sign off on any certifications for consistency with Consolidated Plan for other HUD programs during FY 2008/09.

D. Compliance with National Objectives

Local community development activities must be designed to address one or more of the three national objectives:

- Eliminate slums and blight and blighting influences.
- Benefit low- to moderate-income persons and neighborhoods.
- Meet other urgent community needs imposing an immediate threat to safety and health.

All activities pursued in Program Year 2008/09 were focused on benefiting low- and moderate-income persons through:

- Direct provision of assistance (rehabilitation loans and first-time homebuyers assistance) to income-qualified households,
- Direct provision of public services (fair housing services),
- Direct provision of service to persons qualified under the Limited Clientele benefit (senior and youth services),
- Improvements made in low- and moderate-income areas (commercial rehabilitation and code enforcement), or
- Promotion of economic development activities that benefit the community in general but create jobs for low- and moderate-income households.

1. Low/Moderate Income Area (LMA)

One activity during Program Year 2008/09 was qualified under HUD's LMA eligibility, code enforcement activities.

In Program Year 2008/09, the Code Enforcement staff investigated 2,280 complaints, 21% of which (482 complaints) were made in low- and moderate-income areas. Based on workload and time spent, the CDBG program funds approximately 60 percent of the Code Enforcement division that consists of four full-time code enforcement officers.

2. Low/Moderate Income Limited Clientele (LMC)

The City uses CDBG funds to support counseling services for at-risk (abused, runaway, and other at-risk) youth, and case management services for seniors and disabled persons. All four categories of targeted populations are qualified under the presumed benefit of the Limited Clientele eligibility.

E. Displacement and Relocation Activities

No displacement or relocation activities occurred during FY 2008/09.

F. Use of Program Income

Repayment of the CDBG-funded housing rehabilitation loans and income and interests from Section 108 projects are deposited into a separate account. The Section 108 project income and interest is used as a guarantee for the Section 108 loans. During Program Year 2008/09, the CDBG-funded rehabilitation loans generated $23,755.59 in program income. Repayment of the Section 108 loan for the Fremont Plaza was $333,629.84, and interests on deposit from the Main Street rehabilitation project totaled $14,119.60. Overall, $375,676 in program income was generated in Program Year 2008/09. CDBG program income was used to repay the Section 108 loans. Excess program income has been reprogrammed for other activities (see Subsection B, "Nature and Reasons for Changes in Program Objectives").

The City has no revolving loan funds or float-funded activities and therefore did not generate program income from these sources. Also, the City did not generate any program income from sale of real property, loans outstanding or written off, or lump-sum drawdown payments.

G. For Loans and Other Receivables

Grants and Loans are provided to eligible households through the City's Exterior Grant, First Time Homebuyers', and Economic Development programs, which include grants and forgivable loans. The City does not anticipate repayment of these funds and therefore does not have a list of total amount of loans outstanding or owed or loans in default.

III. HOME Grant Requirements

A. Distribution of HOME Funds among Identified Needs

The 2005–2010 Consolidated Plan identified a high rehabilitation need for the city's old housing stock (more than 70 percent of the units older than 30 years of age). The plan also identified affordable housing needs for lower-income households, particularly for seniors. In Program Year 2008/09, HOME funds to address these needs were expended for the following activities:

- Housing Rehabilitation Program
- First-Time Homebuyer Assistance—first-time homebuyer
- Administration of HOME programs
- New Construction/CHDO set-aside

Overall, the City attempted to balance the expenditure of HOME funds to benefit the households with the highest priority needs. The City has expended significant redevelopment resources to assist in the development of affordable rental housing. Use of HOME funds consistently focuses on providing affordable homeownership opportunities and on preserving the existing affordable housing stock.

B. HOME Match Report

Redevelopment housing set-aside funds have been the primary funding source to provide match for the HOME program. See HUD Form 40107-A (attached). (HOME Match Report will be included in the final document submitted to HUD.)

C. Contracting Opportunities for Minority- and Women-Owned Business Enterprises

Since January 1994, the Housing Division has followed through on its outreach to minority-owned and women-owned business contractors. The Housing Division remains a subscriber to the Los Angeles County Director of Minority- and Women-Owned Business Enterprises. This directory has allowed the division to solicit the participation of minority- and women-owned business enterprises in the San Gabriel Valley in the rehabilitation program.

The list of general contractors used by the rehabilitation applicants contains more than 30 contractors of various ethnic backgrounds, including approximately one-third Caucasian, one-third Asian, and one-third Hispanic. See HUD Form 40107 (attached). (HUD Form 40107 will be included in the final document submitted to HUD.)

D. Summary of Results of On-site Inspections of HOME Rental Units

The City has not used HOME funds for the construction or rehabilitation of rental housing in recent years. The City provided AOF Golden State Development Corporation, a certified CHDO, funds to purchase and rehabilitate 11 senior rental units. These units have been completed, their vacancy has been advertised, and the CHDO is in the process of selecting and moving tenants into the development. Once the selected tenants have been moved in the City will begin to monitor. The City continues to monitor its Plaza on Main senior rental project at Fourth and Main.

E. Assessment of Effectiveness of Affirmative Marketing Plans

All of the housing program's marketing materials are printed and translated into the three predominant languages of the Alhambra community—English, Spanish, and Chinese. Advertising has been published in all the major regional and local newspapers distributed within Alhambra: *Pasadena Star News*; *La Opinion*, and *Chinese Daily News*. The advertisements in the latter two papers were published in the languages of the papers, Spanish and Chinese, respectively.

The Housing Division has extensively marketed its programs to the community in an effort to encourage participation from residents of all ethnicities through a series of workshops, informational meetings/presentations to community groups and City Council meetings, department brochures, and through cable channel programming.

F. Use of Program Income

Repayment of the HOME-funded housing rehabilitation loans is deposited into a separate account to finance additional housing rehabilitation activities. A total of $130,113.88 was generated in FY 2008/09.

IV. Actions to Overcome or Eliminate Impediments to Fair Housing Choice

A. Analysis of Impediments to Fair Housing Choice

The City recently updated its Analysis of Impediments (AI) to Fair Housing Choice, which was adopted in May 2008. The AI made the following findings.

Demographic and Housing Conditions

- The population growth of Alhambra slowed between 1990 and 2000, yet the racial and ethnic makeup of the population changed significantly. Asians represent the largest percentage of the population, followed by Hispanics. The Asian representation increased by almost 10 percentage points. At the same time, the White population decreased by nearly the same amount, and Hispanics and Blacks/African Americans decreased by less than 1 percentage point.

- Hispanic residents tend to concentrate in the western part of Alhambra, while Asian residents tend to concentrate in the eastern part of the city.

- According to the 2000 U.S. Census, family households accounted for 71% of the city's households, of which 15% were large households with five or more members and 10% were female-headed households. The average household size was 3.4. Approximately 25% of all households were overcrowded, with 14% experiencing severe overcrowding. Overcrowded living conditions affected a large amount of lower-income, renter households in the community.

- The median household income in Alhambra was $39,213 in 2000, lower than the County median of $42,189. While 49% of the households in Alhambra were considered low- to moderate-income, Asians had the highest proportion of extremely low–income households, and Blacks/African Americans had a significantly higher proportion of upper-income households.

- Approximately 31% of all owners and 41% of all renter-households in Alhambra experienced a housing cost burden in 1999.

- The 2000 housing stock in Alhambra was composed of 47% multifamily units and 53% single-family units. Approximately 61% of all households in the community were renters and 39% were owners.

- The declining vacancy rate among rental units indicates that finding housing in the rental market is a challenge for many households, particularly for large families. In addition, the tight rental housing market is producing a high turnover rate among rental units that leads to rent increases as each unit is turned over, causing an affordability problem and affecting neighborhood stability.

- Very limited housing growth has occurred in Alhambra since 1990. The city has an aging housing stock, with a majority (over 70%) of the units more than 30 years of age. Ongoing repair and maintenance are necessary to keep the units in sound condition. In fact, repairs were consistently one of the most complained-about categories reported to the Fair Housing Council of San Gabriel Valley/Housing Rights Center during the last 5 years.

- The city generally is well served by public transit. While not all of the major employers are located near transit routes, less that 5% of the employed population is dependent on public transportation. Community facilities and affordable housing are, however, located close to transit routes.

- With 13.2% of the population being 65 years of age or older, 93% of the assisted housing projects recently built are senior units.

- Approximately 72% of Alhambra residents speak languages other than English at home, and 42% speak English "less than very well."

Access to Financing

- **Conventional Home Loan Financing:** Native Americans and Whites are the only racial or ethnic groups that are under-represented in the homeownership market, while Asians and Hispanics are both slightly over-represented. Compared to data in 2001, the racial composition of conventional loan applicants has shifted dramatically. The concern voiced in the 2003 AI, that Hispanic households were under-represented in conventional home purchase loan applications (representing 35 percent of the population of the City, but only 15 percent of the conventional home purchase loan applications), is no longer the case. While the approval rate for conventional home purchase loans in 2005 (69.6 percent) was significantly lower than it was in 2001 (81 percent), the 2005 approval rate in Alhambra was still higher than the Los Angeles MSA average approval rate (66.4 percent). In general, Asians had the highest approval rates. Lower-income applicants generally received higher approval rates than did households earning more than 120 percent of median income. The ability of lower-income households to access financing is an ongoing housing affordability issue, but is not a fair housing issue.

- **Sub-prime Lending Activity:** Conventional home purchase loans were the sole loan source for Alhambra households. Only one household applied for a government-backed loan, and that application was withdrawn by the applicant. The HMDA data available do not provide information on which loans were actually prime or sub-prime mortgage loan applications among conventional home purchase loans. It is likely that a number of households that in the past would have opted for government-backed loans were able to receive conventional loans through the sub-prime market. Sub-prime lenders generally have interest rates that are higher than those in the prime market. The three top lenders in Alhambra for 2005 were Countrywide, Wells Fargo, and Washington Mutual. Wells Fargo had extremely high approval rates (91 percent), while Countrywide's approval rates were much lower (59 percent). Countrywide had the highest proportion of loans that were withdrawn by the applicant or closed for incompleteness. While sub-prime lending cannot in and of itself be equated with predatory lending, studies have shown a high incidence of

predatory lending in the sub-prime market.[1] Unlike the prime lending market, overly high approval rates in the sub-prime market is a potential cause for concern when the target clients are considered high-risk.

Fair Housing Complaints

- The majority of housing complaints and inquires that the Housing Rights Center received over the last 5 years were from Hispanic households, consistently at about 50% every year. Asians, who represent about 47% of the population, represented less than one-quarter of the complaints in any given year.

- The most common complaints received by the Housing Rights Center were related to race and familial status.

- A number of fair housing complaints were related to racial discrimination based on the ethnicity of the apartment managers. For example, Asian managers will only rent to other Asian tenants, or Hispanic managers will only rent to other Hispanics.

Tenant/Landlord Disputes

- Most housing issues revolved around disputes over rent increases, notices, and requests for repairs.

B. AI Recommendations and Actions Undertaken in Program Year 2008/09

As a result of the AI conclusions, the City will undertake the following activities to remove the impediments identified.

Expanding Affordable Housing Opportunities

1. Rental Assistance

Action 1.1: The City will work collaboratively with the HRC to conduct outreach efforts, particularly among White and Hispanic households, who are under-represented in the Section 8 Housing Choice Vouchers program, regarding the availability of Section 8 Rental assistance through the Housing Authority of the County of Los Angeles and the availability of affordable housing within the City. Information will be provided in multiple languages on brochures and on the City website.

Time Frame: Ongoing

2. Affordable Housing Resources

[1] *Stolen Wealth, Inequities in California's Subprime Mortgage Market.* California Reinvestment Committee. November 2001.

Action 2.1: The City will focus efforts on providing assisted housing projects that are available to low-income households and are designated as family units to offer housing choices for household types other than seniors.

Time Frame: Ongoing
Progress: Ongoing

Action 2.2: The City will increase outreach and education on the Section 8 rental assistance program to encourage property owners and managers to accept Section 8 vouchers. The City will explore options with LA County to facilitate inspections and approvals for units in Alhambra which begin to accept Section 8 vouchers.

Time Frame: Ongoing
Progress: Ongoing

Action 2.3 The City will make available to residents, upon request, a list of affordable resources in the City. This list will include nonprofits active in the City developing affordable housing, units listed as affordable in the 2008 Housing Element, and contact information for the City's First-Time Homebuyer and Rehabilitation Programs.

Time Frame: By 2009
Progress: The Housing Element contains a list of affordable housing resources in the City. The Housing Element is available for review at City Hall and on the City website. A list of housing resources is also posted on the City website, including an inventory of affordable housing.

3. Homeownership Assistance

Action 3.1: The City will work to provide and expand homeownership opportunities for low- and moderate-income households. The City modified its first-time homebuyer program in 2005 to increase the amount of assistance from $25,000 to $75,000, and added a $15,000 rehabilitation component to allow first-time homebuyers the opportunity to get lower priced fixer homes. The City will continue to explore avenues such as partnering with local realtor and lending institutions, conducting community workshops, and distributing flyers regarding private and City-sponsored first-time homebuyer programs.

Time Frame: Ongoing
Progress: Ongoing

Action 3.2: The City will work to provide and expand homeownership opportunities for those who speak languages other than English. Flyers regarding first-time homebuyer programs will be printed in English, Spanish, and Chinese. The City will amplify its effort to reach Alhambra residents through increased marketing.

Time Frame: Ongoing
Progress: Ongoing

4. Rehabilitation Assistance

Action 4.1: The City will continue to provide and expand assistance for low- and moderate-income households in meeting housing rehabilitation needs. Specifically, the City will continue to offer the Rehabilitation Program and increase the availability of literature in languages other than English.

Time Frame: Ongoing
Progress: Ongoing

5. Emergency Shelters, Transitional Housing, and Supportive Housing

Action 5.1: The City will amend the zoning ordinance to address revised State law that requires cities to expand opportunities for the siting of emergency homeless shelters. The City will continue to allow the establishment of transitional and supportive housing that functions as residential uses in residential zones consistent with similar residential uses.

Time Frame: By June 2009
Progress: The City adopted the Housing Element in June 2009, which commits to amending the Zoning Ordinance to address the provision of emergency shelters, transitional housing, supportive housing, and single-room occupancy housing within one year of the adoption of the Housing Element.

Access to Financing

1. Outreach to Lenders

Action 6.1: The City will work with local lenders to provide information on government-backed financing for low- and moderate-income residents. The City will encourage local lenders to provide information in English, Spanish, and Chinese.

Time Frame: Ongoing
Progress: Ongoing

Action 6.2: The City will work with local lenders to promote the City's First-Time Homebuyer Program. The City will provide information on the program in English, Spanish, and Chinese.

Time Frame: Ongoing
Progress: Ongoing

2. Education and Resources

Action 7.1: The City will encourage workshops to be held in Alhambra by local lending institutions and the HRC regarding the home-buying process and the resources available to low- and moderate-income homebuyers. The City will encourage local lenders and the HRC to hold workshops in English, Spanish, Chinese, and other Asian languages.

Time Frame: Conduct homebuyer workshops periodically
Progress: HRC conducted workshops on 7/7/08, 9/26/08, 10/22/08, 1/7/09, 5/18/09, and 5/20/09; some where at the Library, others were at Joslyn Center.

Action 7.2: The City will provide brochures or information on homeownership, rental assistance, and rehabilitation assistance programs in English, Spanish, and Chinese. Information on the City's Senior Case Management Program, First-Time Homebuyer Program, and Residential Rehabilitation programs will be mailed on an annual basis to service providers in the City to assist with outreach to all residents.

Time Frame: Ongoing
Progress: Ongoing

Action 7.3: The City currently requires its First Time Homebuyers Program applicants to attend a First Time Homebuyers Program course which provides financial counseling and education on affordability and the financial responsibility of homeownership.

Time Frame: 2009
Progress: Courses offered year round.

Action 7.4: The City currently partners with the Housing Rights Center to conduct Fair Housing workshops in Alhambra designed to educate landlords and tenants regarding compliance with current Fair Housing laws.

Time Frame: At least two workshops will be held each year, with separate workshops for residents and property owners/managers.
Progress: Two workshops held each year, with separate workshops for tenants and landlords/managers.

Action 7.5: In addition to addressing the fair housing complaints of residents through the City's walk-in fair housing clinic, the City will draft and post educational flyers regarding housing rights and examples of fair housing violations to better educate residents and property managers about fair housing. The City will provide fair housing information in English, Spanish, and Chinese. The information will also be made available through the City's website.
Time Frame: Ongoing
Progress: A link to the Housing Rights Center is provided on the City's website.

3. Unfair Lending and Insurance Practices

Action 8.1: The City will work with the HRC to monitor complaints regarding unfair/predatory lending, and will assess lending patterns using the data collected under the Home Mortgage Disclosure Act (HMDA) and CRA, and other data sources.

Time Frame: Monitor HMDA and other data at least once a year to identify potential issues with unfair lending practices.
Progress: HRC continues to monitors lending data annually.

Action 8.2: The City and the HRC will participate with HUD in efforts to improve access to homeowner's insurance, and to investigate predatory lending in the home purchase, home improvement, and mortgage refinancing markets.

Time Frame: Ongoing
Progress: Ongoing

Fair Housing Services

1. Apartment Owners/Managers

Action 9.1: The City will work in conjunction with the HRC and apartment owners/manager associations to outreach to owners of small rental properties regarding fair housing laws.

Time Frame: Ongoing
Progress: Ongoing

Action 9.2: The City will work with agencies and property managers of affordable housing to ensure that fair housing laws are abided by in the selection of residents and that information of housing availability is appropriately advertised. The City will increase advertisement and outreach related to affordable housing opportunities through advertisements and literature available in English, Spanish, and Chinese. The City will periodically track income and demographic data related to affordable housing participants and evaluate additional strategies, if needed, to increase access to and knowledge of affordable housing opportunities in the City.

Time Frame: By 2010
Progress: The City will be developing a formal affirmative marketing plan to ensure housing opportunities in the City are promoted to different groups in the community.

Appendix A:
Proof of Public Notice
(Will be included in document submitted to HUD)

Appendix B:
HUD Forms
(Will be included in document submitted to HUD)

Appendix C:
IDIS Reports
(Will be included in document submitted to HUD)