

## **PART I. RESOURCES**

This section identifies Federal, State, Local and private resources that may be used to meet the City of Union City's housing and community development goals. Resources can be sources of funds or technical assistance and can be available to private and non-profit entities as well as to the City itself. The list includes resources that the City has on hand, expects to receive or could apply for, either separately or in conjunction with other jurisdictions, as appropriate. The City of Union City will continue to promote CDBG, HOME and the City's housing and community development objectives through active policy development and use of available federal and non-federal funding sources.

### **FEDERAL**

#### **Community Development Block Grant (CDBG)**

An application will be submitted annually to HUD for funding from this program. These funds can be used for a variety of housing and community development activities. It is anticipated that \$752,600.00 in CDBG funds will be available in 2006-2007, including \$663,300.00 in 2006 CDBG entitlement grant, \$12,000.00 in program income and \$77,600.00 in prior year CDBG fund balance.

#### **Section 8 Rental Assistance Program**

The City of Union City supports and encourages the Housing Authority of Alameda County's efforts to obtain Section 8 vouchers and certificates for residents of Union City. The Housing Authority currently manages 749 Section 8 contracts in Union City.

### **HOME**

The Home Investment Partnership Act, known as "HOME", provides flexible funding to states and local governments for affordable housing programs for low-income households. HOME funds can be used to acquire, rehabilitate, finance and construct affordable housing, as well as to provide tenant-based assistance. Union City will participate in the Alameda County HOME consortium's application for funds from HOME. It is anticipated that \$196,700 in HOME funds will be available in 2006-2007. These funds will be used for affordable independent senior housing for very-low seniors.

## **STATE**

### **California Housing Finance Agency (CalHFA)**

CalHFA provides a variety of tax-exempt bond financing for the creation and preservation of affordable housing. They also provide first-time homebuyer loans for lower and moderate income households. The City's down payment assistance program will be utilizing CalHFA loans wherever possible for its first time homebuyer's program.

### **Low Income Housing Tax Credits (Federal and State)**

Developers can apply to the State for an allocation of tax credits to finance low-income rental housing developments. The tax credits are syndicated to corporations in exchange for product equity. The City is working with developers of higher density developments that include affordable housing to see if tax credits are appropriate.

### **Mortgage Revenue Bonds**

The City can apply to the State for authority to issue tax-exempt mortgage revenue bonds for the purpose of funding affordable housing development.

### **Mortgage Credit Certificates (MCC)**

Union City participates with the County of Alameda in their application to the State for an allocation of MCC's which provides a tax credit to subsidize the mortgage interest rate for qualified first-time home buyers. It is anticipated that 3-5 MCC's will be utilized in Union City in 2006-2007.

## **LOCAL**

### **Redevelopment Tax-increment Funds**

In 1988, the City of Union City created the Union City Community Redevelopment Agency and adopted its *Community Redevelopment Plan*. The plan covers a 1,411-acre Project Area that is divided into 13 sub areas ranging in size from 6 to 313 acres. According to State redevelopment law, 20% of the tax increment funds generated from development in the Project Area must be used to support low- and moderate-income housing. It is anticipated that the Agency will receive approximately \$3,320,000 in Housing Set-aside funds in 2006-2007.

## **PRIVATE**

### Community Reinvestment Act (CRA)

The City of Union City encourages local lenders to provide favorable lending terms for projects that involve the provision of affordable rental and ownership housing. Staff is currently working with several, local lenders to increase lending in lower income census tracts.

## **LEVERAGING AND MATCHING PLAN**

For all housing and community development activities, Union City will support applications by other entities to all public and private sources of financing. In the case of matching requirements for a funding source, Union City will utilize Redevelopment Housing Set-Aside Funds and other local funds as available and appropriate. To minimize leveraging of its own funds and increase the funds available for housing, Union City plans to undertake the following activities.

- Support the purchase and rehabilitation and construction of affordable units by non-profit housing developers.
- Promote private sector rehabilitation with the CDBG Housing Rehabilitation Program.
- Continue participation in the Mortgage Credit Certificate Program operated by the County of Alameda
- Continue to provide support to non-profit, community-based housing developers and service providers.
- Promote joint development with other governmental or quasi-governmental agencies to implement community development programs.

## **PART II. ACTIVITIES TO BE UNDERTAKEN**

### **INTRODUCTION**

This section of the City of Union City Action Plan includes the proposed activities for FY2006-2007 to be undertaken by the City of Union City. This section of the Action Plan includes the programs and activities that the City

Of Union City will carry out to implement its Housing and community Development Strategic Plan during the next fiscal year. The Strategic Plan is the

five-year plan for fiscal years 2005 through 2009, included in the Five-Year consolidated Plan, to be adopted in May 2005.

The central piece of this section is the Consolidated Plan “Proposed Projects” table (**to be completed prior to final submission to HUD**). Please refer to these tables for a description of individual activities to be funded with FY2006-2007 Community Development Block Grant (CDBG) funding. This section also includes a description of how the jurisdiction will ensure geographic distribution of its resources, the process by which assistance will be distributed in the case that an activity location is currently unknown (e.g. residential rehabilitation programs), activities benefiting homeless and other special needs populations, and other local or state programs being used to further the jurisdiction’s housing and community development goals.

Activities undertaken with federal HOME Investment Partnership Program (HOME) funds are described separately in the Alameda County HOME Consortium Action Plan.

The city of Union City was a participant in the Community development Block Grant (CDBG) Program from 1975 to 1987 as a member of the Alameda County Urban County and is completing its fifteenth year as a CDBG Entitlement City. Increased funding as entitlement community has allowed Union City to expand or create programs that further enhance the quality of life for its citizens.

For the year beginning July 1, 2006, the City of Union City will receive \$663,300.00 from HUD upon the acceptance of this Action Plan and the accompanying certifications. Furthermore, it is anticipated that the City will receive \$12,000.00 in program income from regularly scheduled payments made on past Housing Rehabilitation loans, and a balance of \$77,300.00 in from prior years CDBG funds for a total 2006-07 budget of \$752,600.00. Unforeseeable loan payoffs could increase the annual program income amount.

**2006-07 Proposed Community Development Block Grant Activities:**

Herein is a summary of the programs adopted by the City Council of the City of Union City.

**I. Housing Rehabilitation and Development:**

The City of Union City has an ongoing and very successful Owner-Occupied Housing rehabilitation Program that it has conducted in partnership with the

Alameda County Housing and Conservation Department. The program provides housing rehabilitation loans for low and moderate-income households. Although the majority of participants in the program live in the Alvarado and Decoto neighborhoods, the program is available for qualified households city-wide. The rehabilitation program is divided as follows:

- **Minor Home Repairs for Owner Occupied Units**

Union City's Minor Home Repair Program activities for owner-occupied units provides grants ranging from \$500 to \$2,000 for the following minor home repairs, exterior paint and clean-up, improved accessibility, seismic retrofit and security locks Alameda County HCD provides the rehabilitation services, which includes Inspections, construction monitoring, and outreach. This arrangement allows for broader marketing of the loan and grant programs.

- **Major Owner-Occupied Housing Rehabilitation Program**

Union City's Major Owner Occupied Housing Rehabilitation activities include low interest rehabilitation loans of up to \$35,000 or more, as appropriate, for repairs and improvements to owner-occupied units. Although interest in rental rehabilitation has been historically limited in Union City, the City will provide loans for rental rehabilitation for low-income controlled units on a case by case basis for qualified projects and as funds are available from the Major Owner Rehabilitation fund pool.

- **Mobile Home Grant Program**

The Mobile Home Grant program provides grants for rehabilitation or seismic retrofitting of owner-occupied mobile home units. The grants range from \$500 to \$2,000.

### **Special Projects – Senior Center/Affordable Senior Housing Project -**

The City has developed a Senior Center/Affordable Senior Housing Project, which utilizes CDBG, HOME, Section 108 funds, and Redevelopment Agency funds for acquisition, site clearing and development of affordable housing for senior citizens. The City will use a portion of its CDBG funds to make annual Section 108 Loan payments.

Whenever possible, given the amount of funding available, the City shall continue to promote and participate in the development of affordable housing

Programs that make housing more affordable such as the Alameda County wide Mortgage Credit Certificate Program and activities involving the HOME program. The City will review affordable housing activities involving the HOME program. The City will review affordable housing projects, as well as other CDBG eligible activities, on a case by case basis. Consideration of projects for CDG funding will be on the basis of the benefits of the projects to Union City residents, the total amount of funding needed and the ability to utilize any funding that may be available and appropriate. The City shall also continue to participate, along with other local communities, in the development of sub-regional homeless programs.

## **II. Public Services:**

The City of Union City in its effort to meet the needs of the community's disadvantaged, has chosen to use a portion of its CDBG funds for public service programs, all of which benefit low-and very-low – income individuals and families. For 2006-07, the City will be using CDBG funds for Centro de Servicios. Centro is the oldest Hispanic social service agency in Southern Alameda County. The program provides translation, transportation for elderly, Social Security screening, distribution of food and clothing, AFDC and SSI advocacy and other social service needs of low income individuals. Centro also serves a central hub for all social services provided in Union City.

## **III. Fair Housing:**

The City of Union City shall continue to utilize the Fair Housing/Housing Counseling Services of the Eden Council for Hope and Opportunity (ECHO). ECHO provides housing counseling, education, tenant/landlord counseling and mediation, and a revolving loan fund for short term financial assistance to low and moderate income households.

## **IV. Economic Development:**

Union City shall continue to provide economic development assistance for target areas in an effort to provide a catalyst for neighborhood revitalization. Union City has adopted an Economic Development Implementation Plan for the target area of Alvarado. Elements of this plan include public improvement projects, architectural assistance, small business technical assistance, special economic development activities and overall economic support in an effort to stabilize and encourage the economy of the Alvarado neighborhood. Such programs, which can be utilized in other target areas as well, remove slum and blighted conditions and promote business and safety, offering benefits to low-and moderate-income households that are prevalent in the target areas.

**V. Overall Union City CDBG Program Administration:**

Funding has been set aside to administer the program, develop new projects that meet the national objectives, carry out citizen participation requirements, manage other eligible programs (such as the HOME program), and monitoring project requirements. (This does not include staffing required to implement project.)

**COST SUMMARY 2006-07**

<b><u>HOUSING REHABILITATION:</u></b>	
Eligibility 24 CFR 570.201/Natl. Objective 24 CFR 570.208 (a)	<b>135,200</b>
<b><u>ACQUISITION/SPECIAL PROJECTS/SENIOR PROJECT:</u></b>	<b>370,000</b>
Eligibility 24 CFR 570.201 (a),(d)/Natl. Objective CFR 570.208 (b)	
<b><u>PUBLIC SERVICES:</u></b>	<b>116,500</b>
Eligibility 24 CFR 570.201 (c)/Natl. Objective 24 CFR 570.208 (a)	
<b><u>FAIR HOUSING/ECHO:</u></b>	<b>10,000</b>
Eligibility 24 CFR 570.201 (e)/Natl. Objective 24 CFR 570.208 (a)	
<b><u>ECONOMIC DEVELOPMENT:</u></b>	<b>20,000</b>
Eligibility 24 CFR 570.203/Natl. Objective 24 CFR 570.208 (b)	
<b><u>ADMINISTRATION:</u></b>	
Eligibility 24 CFR 570.206/Natl. Objective 24 CFR 570.208 (d)	<b>100,900</b>
<b>TOTAL</b>	<b>752,600</b>

**SOURCE OF FUNDS**

2005-06 Community Development Block Grant	663,300
Program Income*	12,000
Prior Years CDBG Balance	77,300
<b>TOTAL</b>	<b>752,600</b>

\* From rehabilitation loan payments

**GEOGRAPHIC DISTRIBUTION**

Funding for the activities described above will be distributed City-Wide, unless funds are targeted to specific locales within Union City. All activities are intended and open to serve eligible households within Union City. Certain programs, such as Affordable

Housing Development/Special Projects, are not tracked to a particular geographic locale before specific sites are identified to be funded by the City Council.

## **ACTIVITY LOCATIONS**

For many programs using CDBG funds, such as residential rehabilitation or economic development assistance, the exact location of the activity is not determined prior to funding the program as a whole. Pursuant to the recently adopted Final Rule for the CDBG Program, the Action Plan must identify who may apply for assistance, the process by which the grantee will select those to receive assistance, and how much and under what terms the assistance will be given.

The City of Union City has an agreement with Alameda County HCD, whereby they administer a Rehabilitation Program using CDBG funds. The goal of the program is to conserve, preserve, and improve the housing and neighborhoods of low and moderate-income people living in the City. To that end, the program provides grants or low interest loans to qualifying properties and owners to provide a variety of rehabilitation services, such as rental housing rehabilitation, minor and major home repairs, mobile home repairs, exterior paint or clean-up assistance, seismic retrofitting and accessibility repairs.

The owner rehabilitation program is targeted to owner-occupant households who qualify as low income by earning less than 80 percent of the PMSA median income. Depending on the level and cost of rehabilitation, grants or low- or no-interest loans are offered. For the owner programs, income, the applicant's address, and the type and extent of rehabilitation work are checked to determine the applicant's jurisdiction.

The City provides rental rehabilitation loans on a case-by-case basis. The rental rehabilitation program is eligible to those properties in which at least 51 percent of the units are occupied by low and very low income households, or that 51 percent of the units will be rent-restricted through a rental agreement to qualified low income households after rehabilitation. This program provides below market interest rate loans to property owners to complete the rehabilitation. Tenants' incomes are verified to determine whether at least half of the units are occupied by lower income households. The property's operating budget is also examined to determine the property's long-term financial feasibility.

The City of Union City's economic development programs undertaken with CDBG funds are primarily undertaken to remove slum and blight conditions on an area-wide or spot basis. The primary focus for CDBG funded economic development is the Old Alvarado neighborhood.

## **HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES**

### ***Implementation of the County-wide Homeless continuum of Care Plan***

The Continuum of Care Council continues to be guided by the *country-wide Homeless Continuum of Care Plan*, completed in 1997. The Plan identified gaps in the current

service delivery system and is intended to link homeless policies and plans in each of the three HOME jurisdictions in Alameda County: Berkeley, Oakland and the Alameda County HOME Consortium. A comprehensive, year-long community wide process of identifying and prioritizing continuum -wide goals and outcomes culminated in the creation of a Continuum of Care Full Council Work Plan in March 2001. This work plan has guided the activities of all the Continuum of Care Council's committees and had led to the creation of Consumer Rights Standards, assessment and implementation of Health, Safety, and Accessibility Standards for shelters, and advocacy for retaining and expanding critical support services and housing.

Goals for FY2006-07 include:

- Continued provision and expansion of housing and services for homeless clients;
- Increased quality of shelter provision through improving compliance with Health, safety and Accessibility Standards of service for Emergency Shelter Facilities;
- Continued partnership with private funding sources supporting the activities of the Continuum of Care;
- Integrated data collection through both the procurement and implementation of a county-wide Homeless Management Information System (HMIS) for community-based service providers, and data sharing and analysis with mainstream, public service providers;
- Continued support and encouragement of federal, state, and local programs and policies benefiting homeless and low- income persons;
- Expanded evaluation of homeless programs through the utilization standardized client satisfaction surveys and other client feedback mechanisms;
- Evaluation of the county-wide homeless service system through the creation, incorporation, and monitoring of continuum-wide outcome measures;
- Coordinating and authoring an updated Continuum of Care Plan, based on the data collected from this year's homeless court survey research effort;
- Improved knowledge and responsiveness of homeless service provider staff through implementation of county-wide skills and resource training;
- Development and adoption of case management standards of service for all homeless service providers; and
- Development of additional eviction prevention resources.

## **PART III. OTHER ACTIONS**

### **LEAD-BASED PAINT HAZARD REDUCTION**

One challenge facing Alameda County is the recruitment of qualified, State-certified Contractors who can perform lead mitigation and abatement services. The Bay Area is still experiencing a prosperous economic time for general building contractors, who appear to be more interested in projects that do not require additional regulatory requirements. Effective January 2002, all cities and jurisdictions need to comply with the Lead Safe Housing Regulations, even though there is still a need to increase the number of State-certified contractors. Jurisdictions within Alameda County planned and

implemented training and certification to deal with the insufficient number of qualified contractors in order to meet the deadline of January 2002 required by HUD. Alameda County Lead Poisoning Prevention Program has sponsored preparation courses and Superior exams. To date, eight contractors passed, applied to the Department of Health Services (DHS) and received certification. The Alameda County Lead Poisoning Prevention Program will look into sponsoring more training in the future to assist in increasing the number of qualified lead professionals.

Aside from the exam preparation courses and sponsored State exams given to contractors as an incentive to participate in lead save housing issues, Alameda County actively recruits new contractors to be part of the overall program in housing rehabilitation. This is on-going work that Alameda County is undertaking to maintain a sufficient number of building contractors participating in HUD's housing rehabilitation programs.

## **BARRIERS TO AFFORDABLE HOUSING**

In Union City, as in other communities, the major barriers and constraints on the development of affordable housing are funding, availability of adequate sites and the high cost of development. The city of Union City has developed a first time homebuyer program, which began in July 2003. Furthermore, the City also has an Inclusionary Housing Ordinance that requires that 15% of all housing be affordable. The City will also proactively seek appropriate funding sources to further affordable housing development.

## **ANTI-POVERTY STRATEGY**

The City of Union City is taking proactive measures in the development of economic development programs that will assist low- and moderate-income individuals and families. The city will focus its CDBG economic development program efforts to effectively reduce poverty and dependency on supplementary programs that drain the resources of the community. Continued support will also be given to those public services that specifically address the systemic roots of poverty within the community, such as unemployment, drug use, and illiteracy.

Through its CDBG and other available and appropriate funding, the City will support those programs that:

- Provide job training

- Provide new, well-paying jobs

- Break the cycle of drug and alcohol dependency

- Provide needed child care for low-income families

- Provide needed skills to increase the independence of emotionally or

physically disabled individuals.

## **INSTITUTIONAL STRUCTURE**

The Economic and Community Development Department includes Economic Development, Planning, Redevelopment, Housing and Community Development (HUD), Neighborhood Preservation and Building. The City's CDBG and HOME programs are in the HCD Division of the department.

## **PUBLIC/PRIVATE COORDINATION**

As part of its affordable housing development strategy, Union City coordinates activities with local realtors, developers and lenders. It is likely that these relationships will be more formal as the level of development activity increases. The City is establishing relationships with the City's banks in an effort to solidify support for housing programs that utilize CRA funding.

## **PUBLIC HOUSING IMPROVEMENTS AND RESIDENT INITIATIVES**

The City of Union City does not have any public housing.

## **PART IV. MONITORING STANDARDS AND PROCEDURES**

Union City monitors progress under the Action Plan as part of its on-going performance monitoring procedures. The City is committed to ensuring that the funds they administer are used for the intended beneficiaries as specified by local, state and federal regulations. They have adopted and put into operation procedures to monitor the operations of their programs, which include:

- Contracts that clearly spell out the sub-grantees requirements under HUD regulations
- On-site visits
- Review of required reports from sub-grantees for performance of the work program set forth in the contract
- Review of outside financial audits of sub-grantees, as applicable
- Accessibility of City staff for questions and concerns from the sub-grantee or the sub-grantee's clients.

- Systems for citizen input regarding the operation of the CDBG program and the activities performed by sub-grantees, as set forth in the City's Citizen Participation Plan.

In order to facilitate staff, the City will also be retaining the services of a contracted monitoring consultant to aid the City in conducting its monitoring requirements.

The City of Union City currently monitors two of its existing multifamily bond projects by contracting with the Housing Authority of Alameda County. The monitoring services that the Housing Authority provides include the following:

- Quarterly verification of the number of affordable units required as set forth by the bond agreements.
- Quarterly verification of the income levels of tenants in controlled units.
- Quarterly verification of allowable rent levels for each project.
- Notification of any non-compliance.
- Site visits

The management/ownership of each project is also required to provide the City with quarterly and annual status reports.

The City of Union City utilizes the successful existing monitoring models described above, as well as its existing citizen participation and reporting practices.