



CITY OF SANTA MONICA

Substantial Amendment to the Program Year 2008 Action Plan

Submitted to the
U.S. Department of
Housing and Urban Development

HUMAN SERVICES DIVISION
Community and Cultural Services Department

HOUSING AND REDEVELOPMENT DIVISION
Housing and Economic Development Department

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**SUBSTANTIAL AMENDMENT TO THE
CITY OF SANTA MONICA’S CONSOLIDATED PLAN 2008 ACTION PLAN**

The Consolidated Plan One-Year Action Plan is submitted annually to the U.S. Department of Housing and Urban Development (HUD). It delineates the City’s specific projects and activities for one-year use of Community Development Block Grant (CDBG) and HOME funds in order to meet the City’s overall housing and community development needs as specified in the Consolidated Plan (FY 2005-10) adopted by City Council and submitted to HUD in June 2005. According to Federal regulations, the City “shall amend its approved plan whenever it makes one of the following decisions: 1) to make a change in its allocation priorities or a change in the method of distribution of funds; 2) to carry out an activity, using funds from any program covered by the consolidated plan (including program income), not previously described in the action plan; or 3) to change the purpose, scope, location, or beneficiaries of an activity.”

A substantial amendment to the City of Santa Monica’s Program Year 2008 Action Plan is necessary to allocate CDBG funds under the American Recovery and Reinvestment Act (ARRA) of 2009 (CDBG-R). On May 5, 2009, \$1 billion in funds were allocated nationwide by HUD for this program; of this amount, the City of Santa Monica can receive \$361,749. The City is committed to addressing the goals of the Recovery Act by funding projects that assist those low-income individuals who are most impacted by the recession while also modernizing infrastructure, improving energy efficiency, and preserving and creating jobs.

By way of this Substantial Amendment to the Consolidated Plan 2008 Action Plan, the City of Santa Monica proposes to allocate these new funds to the following activities:

Program 1B-3:	Mobile Home Improvement Program	\$307,487 ¹
Program 2A-5:	Resource Coordination and Supportive Services – Homeless Initiatives	<u>\$ 54,262</u> ² \$361,749

Program 1B-3: Mobile Home Improvement Program

The City of Santa Monica is striving to create a high quality, affordable, and sustainable community of manufactured homes at the City-owned Mountain View Mobile Home Park (“Park”). The property consists of 105 travel trailers and mobile homes of various ages, sizes, and quality. Residents in the park are primarily very-low and low income senior and disabled households. Current infrastructure upgrades will ensure that basic health and safety needs are met. Future improvements, including the installation of new units with CDBG-R funds, will be guided by a mandate to maximize resource conservation, preserve affordable housing in the City, and encourage renewable energy use. The City goal is to replace all substandard units with green, exceptionally designed, sustainable units and encourage other residents to make a similar commitment to the quality and sustainability of the community. The program closely

¹ This funding is in addition to \$1,510,767 in CDBG and HOME entitlement funds, for a total budget of \$1,818,254.

² This funding is in addition to \$137,466 in CDBG entitlement funds, for a total budget of \$191,728.

follows Congress's intent that CDBG-R funds should "primarily be invested in economic development, housing, infrastructure and other public facilities activities that will quickly spur further economic investment, increased energy efficiency, and job creation or retention." (CDBG-Recovery Notice of Funding Availability, Paragraph II, Section 5).

Program 2A-5: Resource Coordination and Supportive Services

The City of Santa Monica will retain essential resource coordination, administration and supportive services linking and guiding homeless individuals to special City homeless services initiatives involving the Homeless Community Court, the Chronic Homeless Program and the Homeless Service Registry. These funds will assist the City's priority homeless populations (Santa Monica's chronically homeless, those whose last permanent address was in Santa Monica) and vulnerable members of Santa Monica's workforce in becoming permanently housed by connecting them with intensive, customized services through the City's Continuum of Care.

Assisting those most impacted by the recession

Mobile Home Improvement Program

The Mountain View Mobile Home Park is located in the Pico neighborhood of Santa Monica, an area defined by the 2000 Census statistics as having predominantly low and moderate income households. The majority of residents in the Park are very-low and low income senior and disabled households. The City will be restricting 100% of the housing units in the Park to low and very low income households. Citywide, over 7,500 households (individuals and families) currently earn less than 45% of area Median Family Income (MFI). In 2003, when the City's unemployment rate was 4.6%, approximately 95% of families at lower and moderate income levels experienced at least one housing problem (units with physical defects or lacking a complete kitchen or bathroom, overcrowding, or excessive housing cost burden that exceeds 30-50% of gross income). As of March 2009, the City's unemployment rate had risen to 9.3%, food pantry utilization had increased by 40%, and local service providers reported 60% more people seeking employment counseling services. With such significant increases in unemployment, it is critical that the City preserve its affordable housing supply.

Most of the units in the Park have deferred maintenance, do not meet current health and safety codes, are not on a permanent foundation and are not connected to all utilities. The Park replacement program will replace substandard units that were never intended for permanent habitation and replace them with units intended for permanent habitation. It is anticipated that the City's purchase of the new "green" units may provide 20 low-income households with energy efficient homes that they would not otherwise be able to afford and ensure that the targeted households will be able to remain in Santa Monica in affordable quality units. Without the purchase of new units, it is likely that some of the 105 units would not be able to remain in their units due to code violations and would not have the means to cover major repair costs.

Resource Coordination and Supportive Services

CDBG-R funds will assist the City's priority homeless populations (Santa Monica's chronically homeless, those whose last permanent address was in Santa Monica), and vulnerable members of Santa Monica's workforce who are being impacted by the recession to become permanently housed by connecting them with intensive, customized services through the City's Continuum of Care.

Providing investment to increase economic efficiency and investing in environmental protection that will provide long term benefits. Promoting energy conservation, smart growth, green building technologies, or reduced pollution emissions

Mobile Home Improvement Program

Santa Monica is committed to protecting, preserving and restoring the natural environment. Since purchasing the site in 2000, the City of Santa Monica has been making improvements to create a high quality, affordable, and sustainable community of manufactured homes that create a new standard for mobile home parks. The City is nearing completion of a major infrastructure improvement project to upgrade or replace utilities, roads, fire hydrants, streetlights and water supply lines and reconfiguring lots to accommodate standard manufactured homes sizes.

The City strives to lead by example and encourage other community stakeholders to make similar commitments to the environment. The new "green" manufactured homes will promote energy conservation, smart growth, and green building technologies as well as reduce pollution emissions in several ways. The quality of the materials, design and construction of the manufactured units will provide more energy efficient homes. The City has developed minimum standards for the specifications of the manufactured units which include: high R-value insulation; cool roof or radiant barriers; maximum leakage ratings for ductwork; Energy Star lighting, ceiling fans and appliances; formaldehyde-free wood products; zero VOC paint; recycled carpet, bamboo or cork flooring; and dual flush or high efficiency toilets. The units, which should remain in good quality for the next 30 years, will reduce the families' utility expenses as well as the carbon footprint of the Park and provide long-term benefits to the low-income households, the community, the environment, and the economy.

Preserving and creating jobs and promoting economic recovery: Number of full and part time jobs to be created and retained by the activity

Mobile Home Improvement Program

The purchase of new "green units" will benefit the economy. The Manufactured Housing industry has been hit hard by the failing economy. According to the California Manufactured Housing Institute records, the shipment of new manufactured houses to California dealers has dramatically declined in recent years (see table below) to the point where one (1) of the nine (9) California factories recently closed and more may be forced to close in the near future.

Year	Number of Manufactured Homes Shipped to California Dealers	Percent Increase (+) or Decrease (-) From Prior Year
2004	10,370	+22.9%
2005	10,783	+4.0%
2006	8,281	-23.2%
2007	4,476	-42.4%
2008	2,856	-41.1%
2009 (through 3/2009)	301	-62.1%

(California Manufactured Housing Institute)

The City's purchase of new "green" manufactured homes will help a manufactured housing factory retain and/or create jobs for approximately 200 people for up to 4 weeks. Additional work and jobs would be generated by the delivery, installation and inspection of the installation of the manufactured homes, landscaping, and if feasible, solar panels.

Resource Coordination and Supportive Services

Previous funding for resource coordination linking homeless individuals to services was provided as a special initiative and is no longer available. CDBG-R funding will preserve one full time equivalent position providing resource coordination and services such as case management and will avoid a reduction in an essential service.

Commitment of funds within 120 days from date funds are made available to the recipients

Both projects will meet the requirements of Title XII of Division A and Section 1602 of the Recovery Act. The City plans to replace 20 structures over the next 12 months by purchasing and installing new energy-efficient modular units with CDBG-R funds. Once the City of Santa Monica is notified of its grant award on July 5, 2009, staff will issue the necessary requests for proposals for modular units to vendors, and for public service activities to non-profit service providers and will award contracts based on bids and proposals by September 30, 2009 (less than 60 days after the funds will be made available to the City by HUD on July 5). It is anticipated that 100% of the CDBG-R funds will be programmed for activities that will be initiated within 120 calendar days after the funds are made available, or October 30, 2009.

Public Outreach

The City of Santa Monica's citizen participation plan ensures a community involvement process that encourages involvement of all residents, including low income residents, minorities, non-English speaking persons, and persons with impaired mobility, vision or hearing. The Human Services Division advertised a public notice in the Santa Monica Daily Press on Tuesday, May 12, 2009. The public notice informed residents of the availability of the Substantial Amendment for an expedited public review and comment period of seven (7) calendar days, per HUD regulations, starting May 12 and ending

May 19, 2009. Residents were informed of the opportunity to provide comments at the May 12 City Council public hearing. The amendment was (and continues to be) available at www.smgov.net. Copies of the amendment were also available at the City's Public Library and at the Human Services Division at City Hall. Additionally, staff planned to report to Council at the May 26, 2009 Council meeting on any public comments received since the May 12 meeting and staff's response to them. No public comments were received during the public comment period. At the time of the submission of the Substantial Amendment to HUD, the City of Santa Monica will post the final Substantial Amendment along with summary of citizen comments received on the City's website.

Contact Information

For further information, please contact Gigi Decavalles-Hughes, CDBG Coordinator, at City of Santa Monica Human Services Division, 1685 Main Street, Room 212, Santa Monica, CA 90401, telephone (310) 458-8701.

CDBG-R
Activity Data Spreadsheet

Jurisdiction/Grantee Name: City of Santa Monica

CDBG-R Formula Grant Amount: \$ 361,749

Date: June 1, 2009

Activity Name	Activity Description	Eligibility (Regulatory or HCDA Citation)	National Objective Citation	CDBG-R Project Budget (\$)	Additional Recovery Funds (\$)	Other Leveraged Funding (\$)	Total Activity Budget
Mobile Home Improvement Project	The City will purchase and install exceptionally designed, sustainable manufactured home units at Mountain View Mobile Home Park	14A Rehabilitation: Single-Unit Residential	LMH 570.208(3)	\$ 307,487	\$ 0	\$ 1,514,876	\$ 1,822,363
Resource Coordination and Supportive Services	The City will retain essential resource coordination and supportive services linking and guiding homeless individuals to special City homeless services initiatives	05 Public Services (General)	LMC 570.208(2)	\$ 54,262	\$ 0	\$ 137,466	\$ 191,728
Total				\$ 361,749	\$ 0	\$ 1,652,342	\$ 2,014,091