

**CITY OF  
FOUNTAIN VALLEY  
FY 2019-20**



**CONSOLIDATED ANNUAL  
PERFORMANCE EVALUATION  
REPORT  
(CAPER)**

**CITY OF FOUNTAIN VALLEY**  
**CONSOLIDATED ANNUAL PERFORMANCE AND**  
**EVALUATION REPORT (CAPER)**

**FY 2019-20**

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## EXECUTIVE SUMMARY

The City of Fountain Valley (City) is an entitlement jurisdiction, receiving an annual allocation of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). As a recipient of CDBG funds, the City is required to prepare a five-year strategic plan that identifies housing and community needs, prioritizes these needs, identifies resources to address the needs, and establishes annual goals and objectives to meet the identified needs. This five-year plan is known as the Consolidated Plan. The purpose of the Consolidated Plan is to outline a strategy for the City to follow in using CDBG funding to achieve the goals of the CDBG program, *“to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons.”* This Consolidated Annual Performance and Evaluation Report addresses the goals identified in the 2015-2019 Consolidated Plan that was approved in May of 2015.

The Consolidated Plan is created as a work plan that is divided into five separate planning and reporting cycles. Since factors such as decreases in funding are not usually known from year to year, the five-year goals must remain fluid and are adjusted on an annual basis.

Each year the City is required to provide the public and HUD with an assessment of its accomplishments toward meeting the priority goals outlined in the Consolidated Plan. This annual assessment is known as the Consolidated Annual Performance and Evaluation Report (CAPER). This document provides a review and evaluation of the City of Fountain Valley’s progress toward meeting the 2019-2020 annual goals and outcomes as outlined in the Action Plan for the Fiscal Year 2019-2020, as well as the larger five-year goals of the 2015-2019 Consolidated Plan. This report will summarize the City’s accomplishments for the time period July 1, 2019, to June 30, 2020.

The unexpected coronavirus pandemic (COVID-19) arising in mid-March 2020 had a substantial effect on the City’s Fiscal Year 2019-2020 CDBG program. Many program accomplishments were affected by the spread of COVID-19 across California and the subsequent government mandates set in place to slow down the spread. This report will identify program accomplishments that were lower, or higher, than expected due to COVID-19, as well as the modifications that were made to the Neighborhood Revitalization Program to continue to provide rehabilitation services to Low and Moderate-Income families during the crisis while complying with government mandates to ensure participant, and staff, safety.

In response to the pandemic, the CARES Act was passed by Congress that authorized HUD to distribute additional funding to entitlement communities to be used towards programs that

prevent, prepare for, and respond to coronavirus. These funds are designated as CDBG-CV funds. The City's use of the CDBG-CV funds to provide assistance to members of the community effected by COVID-19 will also be included.

This document will provide the narratives and budget information for the activities during FY 2019-20 as well as a synopsis of the progress of achieving the goals of the Consolidated Plan.

The CAPER contains the following basic elements:

- It provides HUD with necessary information for the Department to meet its regulatory requirement to assess the City of Fountain Valley's ability to carry out the CDBG Program in compliance with all applicable rules and regulations;
- It provides information necessary for HUD's Annual Report to the U.S. Congress;
- It provides a description of the programs, projects and activities that the City of Fountain Valley has undertaken to address priority needs and local objectives during Fiscal Year 2019-20;
- It provides a specific description of all activities carried out using funds under HUD's CDBG program;
- It provides a general description of activities planned utilizing other funds including Fountain Valley Housing Authority funds; and
- It provides the City of Fountain Valley an opportunity to describe and disseminate to its citizens the many successes of the program in meeting goals stated in the 2015-2019 Consolidated Plan.

## **CR-05 - Goals and Outcomes**

### **Progress the jurisdiction has made in carrying out its strategic plan and its action plan.**

#### **91.520(a)**

This CAPER has been prepared to provide information to the residents of the City of Fountain Valley, interested persons, and HUD regarding the City's use of federal grant funds to meet the priority needs identified in the City's 2015 – 2019 Consolidated Plan. The CAPER focuses on annual goals and accomplishments for the period of July 1, 2019, through June 30, 2020. This reporting period covers the fifth and final year of the 2015-2019 Consolidated Plan cycle. (Note: Not all five-year goals were addressed during the 2019-20 report period).

During FY 2019-20, the City of Fountain Valley continued working toward meeting the goals outlined in the Consolidated Plan. In approximately March 2020, the unforeseen and impactful COVID-19 pandemic began affecting the City's CDBG program. While the CDBG funded programs continued to operate, modifications were enacted to ensure programs complied with government mandates, and to prioritize community safety. Because of the spread of COVID-19 and the resulting safety protocols put in place, some program outcomes were less than anticipated, and some programs were higher than anticipated.

In April of 2020, HUD announced that the City would receive an additional \$211,789 in CDBG funding from the CARES Act. These funds are designated as CDBG-CV funds and must be used specifically to prevent, prepare for, and respond to the coronavirus pandemic. The City established a Small Business Employee Retention Grant (SBERG) using the majority of the CDBG-CV funds; to assist small business owners that had sustained economic loss due to COVID-19, retain their low and moderate-income employees. The SBERG provided short-term capital to businesses so they could continue employing their low and moderate-income workers, while they remained open and provide services to the public. Because the City could not access the CARES Act funding until late in June 2020, the grants were not provided to businesses until July 2020, therefore the accomplishments for the SBERG will be reflected in the Fiscal Year 2020-2021 CAPER.

Priorities such as providing supportive services for at-risk population groups were achieved through the funding of Public Service Agency (PSA) activities. These include programs that provide congregate and home delivered meal programs for seniors, emergency shelter and supportive services for domestic violence victims and their children, criminal diversion programs and daycare scholarships for youths, assist seniors with ombudsman services for residents of assisted living facilities, and caseworkers that assist with employment and self-sufficiency for developmentally disabled adults. Due to COVID-19, the PSA's assisting the senior community and daycare for youth had a drastic rise in the number of clients assisted for the

year, while the remaining PSA's remained fairly stable or provided slightly lower numbers of clients assisted than projected for the year. The PSA's that reported lower numbers of clients assisted can be directly linked to the closure of schools and many businesses in March 2020 when California's Stay At Home Order went into effect. Schools and businesses are generally the reporting or referral party for these types of services. It should be noted that the Council on Aging Orange County voluntarily withdrew from the PSA program at the end of Quarter 1. They received new funding from the state that precluded participation in local PSA programs.

The City also assisted low-income homeowners in making needed repairs on their homes in order to provide a safe and decent place to live through funding opportunities offered by the City's Neighborhood Revitalization program. In response to medical restrictions set in place due to COVID-19, the City modified the Home Improvement Program to provide a Home Exterior Rehabilitation Grant that allowed applicants to continue to have the opportunity to receive rehabilitation services while minimizing outside intrusion into their homes. Many applicants to the program are elderly and hesitant to have city staff or contractors inside their homes while they were sheltering in place due to the pandemic. By modifying the program to focus on exterior repairs only, applicants were more comfortable with applying for funds during the crisis, and no longer needed to be concerned with having unfamiliar people in their homes, which is a higher risk for people over 65 years old.

The City also provided funding to Fair Housing Council of Orange County (FHCOC) to provide education and outreach to Fountain Valley residents regarding a variety of housing matters. FHCOC was also affected by COVID-19. After mid-March 2020, they were no longer able to provide in-person services or community workshops and education. They refocused their efforts to providing virtual workshops and education and continued to assist Fountain Valley tenants and landlords by providing telephone and email services. They assisted a greater number of clients than anticipated this year due to the economic effects that COVID-19 had on resident's ability to pay rent. Both tenants and landlords requested information on evictions and other housing issues to ensure they were in compliance with eviction moratoriums and additional rent protections set in place by both the state and federal government. The number of fair housing issues in the second half of the fiscal year went up over 40% over the first half of the fiscal year. The number of issues specific to evictions and rental agreements went up over 100% in the second half of the year.

Highlights of the City's accomplishments in implementing its FY 2019-20 Housing and Community Development Grant programs include:

- Owner Occupied Home Improvement – 14 loans, grants, rebates and lead grants were completed for owner-occupied, income eligible properties

- Fair Housing Services- 104 individuals assisted
- Code Enforcement – 237 properties with violations abated
- Emergency Housing and Services for Battered Women - 58 individuals/families assisted
- Disabled Services – 7 individuals assisted
- Senior Services – 495 individuals assisted
- Youth Services – 109 youths assisted

### **Progress on meeting goals**

The City made consistent and effective strides towards meeting the goals of the Consolidated Plan. History shows that fully funding PSAs at the maximum 15% of the grant that is allowable per CDBG regulations is one of the best uses of the City's grant dollars. PSAs in turn are able to leverage the funds to ensure the City's grant dollars give maximum benefit to low income households and individuals. Over the term of this Consolidated Plan, the City reached 133% of the targeted goal of numbers assisted for Public Services other than LMI Housing Benefit. The Neighborhood Improvement Program and Code Enforcement programs are also top priorities for the City. The City's Neighborhood Improvement Program has completed 79% of the projected outcome at the end of the Consolidated Plan. The City reached 65% of its five-year code enforcement goals at the end of this program year. Both Code Enforcement and the Neighborhood Improvement Program were effected by California's Stay At Home Order and the necessary safety protocols established to slow the spread of the virus. These orders essentially prevented in-home visits and limited staff/contractors to exterior interactions. While not reaching the anticipated five-year goals, both programs assisted a significant amount of people and will continue to be supported with CDBG funds in the next plan cycle.

A continuing obstacle to Affordable Housing Development that all California cities face is the ongoing effects of the State of California's elimination of redevelopment funding. Losing state redevelopment funding removed \$1.5 million dollars from the City's available housing funds per year since 2012. Despite this massive loss, the Fountain Valley Housing Authority (FVHA) was able to enter into an affordable housing agreement in FY 2018-19 with an established developer to build a 50-unit affordable housing apartment complex in the city. The City provided funding for this project came solely from the FVHA Low Moderate Income Housing Fund and will, unfortunately, be one of the few projects the City will be able to provide assistance to due to the elimination of the redevelopment funding is this correct?. The developers are currently finalizing their funding and expect to break ground on the development at the end of 2020 with a projected lease-up date of 2022.

The overall goals and accomplishments for FY 2019-20 as well as the overall goals and accomplishments for the current Consolidated Plan cycle are seen in Table 1 on the following

page.

**Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)**

Table 1, below, documents the categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

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Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Administration	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development Administration	CDBG: \$63,268.00	Other	Other	5	5	100.00%	1	1	100.00%
Affordable Housing Development	Affordable Housing	CDBG: \$0	Rental units constructed	Household Housing Unit	1	0	0.00%	0	0	0%
Affordable Housing Development	Affordable Housing	CDBG: \$0	Rental units rehabilitated	Household Housing Unit	1	0	0.00%	0	0	0%
Affordable Housing Development	Affordable Housing	CDBG: \$0	Homeowner Housing Added	Household Housing Unit	1	0	0.00%	0	0	0%

Goal	Category	Source/Amount	Indicator	Unit of Measure	Expected Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Capital Improvement Projects	ADA Improvements	CDBG: \$ 0/ CDBG Program Income/Carry Forward: \$0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1	0	0.00%	0	0	0%
Capital Improvement Projects	ADA Improvements	CDBG: \$0 / CDBG Program Income/Carry Forward: \$0	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	1	0	0.00%	0	0	0%
Capital Improvement Projects	ADA Improvements	CDBG: \$0 / CDBG Program Income/Carry Forward: \$0	Other	Other	1	0	0.00%	0	0	0%
Code Enforcement	Affordable Housing Code Enforcement	CDBG: \$115,044	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	2,400	1,570	65.00%	200	237	119%
Fair Housing Five Year Report	Fair Housing Services (not part of Administrative 20%)	CDBG: \$0	Other	Other	57,000	57,000	100.00%	0	0	0%

Goal	Category	Source/Amount	Indicator	Unit of Measure	Expected Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Fair Housing Services	Fair Housing Services	CDBG: \$4,800.00	Other	Other	300	425	142.00%	60	104	173%
Lead Based Paint Hazard Grant	Affordable Housing Lead Based Paint Hazards Testing	CDBG: \$7,500.00	Homeowner Housing Rehabilitated	Household Housing Unit	75	26	35.00%	15	2	13%
Local Emergency/ Natural Disaster Funds	Local Emergency/Natural Disaster Funds	CDBG: \$0	Other	Other	1	0	0.00%	0	0	0%
Neighborhood Revitalization	Affordable Housing	CDBG: \$213,639.00	Homeowner Housing Rehabilitated	Household Housing Unit	75	59	79%	15	12	80%
Public Services	Homeless Non-Homeless Special Needs Non-Housing Community Development Public Services	CDBG: \$51,051.00	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2,285	3,050	133%	507	669	132%
Public Services	Homeless Non-Homeless Special Needs Non-Housing Community Development Public Services	CDBG: \$6,786.00	Homeless Person Overnight Shelter	Persons Assisted	250	290	116%	50	58	116%

**Table 1 - Accomplishments – Program Year & Strategic Plan to Date**

**Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.**

The following priorities are outlined in the five-year Consolidated Plan:

- Improve and preserve existing residential neighborhoods by implementing home, infrastructure, and public facility improvements, and code enforcement programs.
- Address the needs of persons with special needs through the provision of financial assistance to PSAs, and the removal of architectural barriers to the physically challenged.
- Provide affordable housing opportunities for renter households through an on-going partnership with the Orange County Housing Authority.
- Administer available federal, state and locally funded housing and community development grant programs, including providing fair housing services and ensuring compliance with applicable state and federal regulations.

Funding priorities for FY 2019-20 were established based on the extent of the need, the availability of other funding sources to address those needs, and whether a similar program was offered by other entities. The City has determined the most effective use of funds are to fund PSAs at the maximum 15% cap and to utilize the majority of remaining CDBG funds toward offering rehabilitation grants, rebates and loans to income qualified residents to provide decent and sanitary housing and to provide code enforcement in CDBG eligible areas to ensure a suitable living environment.

The City of Fountain Valley provided grants to PSAs who provide a number of programs to assist low- and moderate-income households with services that they may not otherwise be able to afford to assist with affordable housing issues. In FY 2019-20, 699 residents received services. Services included childcare scholarships, youth diversion services, congregate and home delivered meals for elderly, Ombudsman services for board and care residents, case management for developmentally disabled, and emergency and transitional shelter and services for domestic violence victims. The expenditure for PSA services was \$49,254.72. It should be noted that Council on Aging Orange County who provided ombudsman services for board and care residents, voluntarily withdrew from the City's PSA program after the first quarter. They received funding from the state that precluded receiving grants from local programs. Additionally, Waymakers did not use approximately \$60.00 that was granted to their juvenile diversion program. This is due to the slightly lower number of clients assisted because of school closures. School personnel are a primary referral source for their services.

The City of Fountain Valley administered a number of programs to assist low- and moderate-income households with affordable housing issues. The total expenditures for Housing Programs was \$143,065.96 and included the following programs:

- **Neighborhood Preservation Program** - This program provided nine single-family home and mobile home grant, and three single-family home and mobile home rebates. The expenditures for this activity including program administration totaled \$86,944.04.
- **Lead Based Paint Hazard Grant Program** - This program grants funds necessary for the testing and remediation of lead based paint hazards in the home. In 2019-20, two homes were tested for lead based paint hazards. The expenditure for the activity was \$700.00.
- **Code Enforcement Program** – This program helps preserve the housing stock by responding to complaints about various municipal code violations in the designated low-mod census tracts. In 2019-20, Code Enforcement abated 237 municipal code violation cases. The amount expended on this activity was \$55,421.92.

CDBG regulations allows no more than 20% of the total grant to go towards Administration of the FY 2019-20 CDBG entitlement allocation. This amount includes the cost of providing fair housing services to city residents. For the fiscal year, a total of \$52,109.79 was expended on administrative costs and an additional \$4,800 was spent to provide fair housing services to city residents. The total cost of Administration for the fiscal year was \$56,909.79.

The Fair Housing Council of Orange County (FHCOC) provided fair housing services that includes community education regarding issues such as fair lending practices, tenant's rights and housing discrimination. The FHCOC also investigates cases of home mortgage discrimination and other fair lending practices. They host workshops regarding fair housing for both landlords and tenants and attend community events to provide information for residents. FHCOC prepares an annual update to the Regional Analysis of Fair Housing Impediments (AI) report for the City of Fountain Valley, which is attached to this report. During FY 2019-20, FHCOC assisted 104 households with issues and questions regarding housing matters during this reporting period.

In March of 2020, COVID-19 became an issue across the nation. Governor Newsome issued a statewide Stay-At-Home Order to anyone that was not identified as an employ of an essential business. Many businesses across the City that were allowed to remain open struggled financially due to the lack of revenue. In response to this need, the City used the CDBG-CV funding to develop a grant program for small business that had been economically effected by COVID-19 to assist them with 75% of the payroll costs of their low and moderate-income

workers, to keep them employed during the crisis. The Small Business Employee Retention Grant Program was the primary activity for the CDBG-CV funding to date. The accomplishments will be reflected in next fiscal year's CAPER.

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## CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

### 91.520(a)

	CDBG
White	404
Black or African American	14
Asian	207
American Indian or American Native	0
Native Hawaiian/Other Pacific Islanders	10
Multi-racial	34
<b>Total</b>	<b>669</b>
Hispanic	110
Not Hispanic	559

Table 2 – Table of assistance to racial and ethnic populations by source of funds

### Narrative

34 families that were assisted with CDBG funds identified as multi-racial which is not a category in the HUD software. The multi-racial category was added to Table 2 in order to account for all individuals that were assisted. Based on the data from Table 2, the racial breakdown of households assisted with CDBG funding is:

- White - 60%
- Black or African American - 2%
- Asian - 31%
- American Indian or American Native - 0%
- Native Hawaiian or Other Pacific Islander -1%
- Other - multi-racial 5%

Of the 669 families, 16% identified as Hispanic.

The latest United States Census Bureau estimates from July 1, 2018, approximates the following racial breakdown for the City of Fountain Valley:

- White - 56 %
- Black or African American - 0.5%
- Asian – 33%
- American Indian/Native Alaskan - .5%

- Other – 10%
- Identify as Hispanic - 16.6%

According to the Consolidated Plan, no racial or ethnic group is disproportionately experiencing HUD identified “housing problems.” It appears that households racially identifying as White or Black or African American take advantage of the services at a slightly higher percentage rate than other racial groups in the City of Fountain Valley.

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## CR-15 - Resources and Investments 91.520(a)

### Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	\$493,302.00	\$249,230.47
Other - CDBG-CV	public - federal	\$211,789.00	\$ 20,044.05

Table 3 - Resources Made Available

### Narrative

The City received \$328,762 for the FY 19-20 CDBG entitlement grant. \$164,540 from previous year's funding was budgeted with the FY 19-20 grant for a total of \$493,302 in available funds. The City had \$158.00 in program income during this reporting period. A total of \$249,230.47 of CDBG funds were expended in FY 19-20 for the implementation of various community development programs and activities. The City also received an additional \$211,789 from the CARES Act to (CDBG-CV) be used to address coronavirus issues. \$20,044.05 was expended in CDBG-CV funding for grant administration. The actual grant funding to businesses was not distributed to qualified businesses until July 2020 and will be reflected in next year's CAPER.

### Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
CDBG ELIGIBLE EXCEPTION CRITERIA			
CDBG/Code Enforcement Eligible Exception Criteria	50	25	Code Enforcement
City-Wide	50	75	Remainder

Table 4 – Identify the geographic distribution and location of investments

### Narrative

For both the PSA program and the Neighborhood Home Improvement Program, services were not limited to the CDBG eligible Areas. This is because areas of the City outside of the CDBG target areas can benefit from activities, i.e., a person/ household can benefit from a federally assisted program provided they meet the program's eligibility criteria. Eligibility is established by household income and household size. This information is collected by the nonprofit organizations through their intake process as well as city staff when determining income eligibility for the Neighborhood Improvement Program.

## Leveraging

**Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.**

The CDBG Program is leveraged by various funding sources. The highest ratio of leveraging CDBG funds is the PSA Program. The non-profit organizations receive funds from private, federal, state and local funds. The CDBG funds are generally a very small portion of the overall funding for these agencies. These organizations provide the greatest amount of service for the CDBG funds spent.

The PSA program allows the City to leverage its CDBG funds with the wide array of funding that is utilized by the various nonprofits. This leveraging allows low-income Fountain Valley residents access to services that they may not have an opportunity to receive otherwise. The services include programs for battered women and children, youth criminal diversion programs, youth services, and senior meals.

To offset PSA program costs, the City provides use of the Senior Center for the senior meal program and provides office space at the police department to assist with the youth criminal diversion program.

Examples of other leveraged funds come from eligible homeowners that use their personal funds to pay for a rehabilitation project and receive 50% back in CDBG funds as a rebate. Code Enforcement CDBG funds are also leveraged by general funds.

The City does not participate in any programs that have matching requirements.

## CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	50	58
Number of Non-Homeless households to be provided affordable housing units	0	0
Number of Special-Needs households to be provided affordable housing units	0	0
<b>Total</b>	<b>50</b>	<b>58</b>

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	440	457
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	15	12
Number of households supported through Acquisition of Existing Units	0	0
<b>Total</b>	<b>455</b>	<b>469</b>

Table 6 – Number of Households Supported

### Discuss the difference between goals and outcomes and problems encountered in meeting

Interval House Crisis Shelter, as a sub-recipient of a grant provided through the PSA program, was able to provide Emergency and Transitional Housing to 58 domestic violence victims who otherwise would not have a place to live. As noted on Table 5, this exceeded their established goal.

The City also collaborates with Orange County Housing Authority who administers the voucher assistance program for the city. This ensures that rental assistance is made available to the most disadvantaged households in the city and helps provide rental assistance to special needs populations to ensure they have affordable housing. As noted on Table 6, the amount of vouchers issued was higher than the one-year goal.

As noted on Table 6, the City reached 80% of its annual goal for the projected number of households supported through the Rehab of Existing Units. The program was effected by COVID-19 in the last four months of the fiscal year and several projects were temporarily stalled. The most significant and uncontrollable factor in meeting the rehabilitation goals are the number of qualified applications the City receives. To this end, the City continued to market the Home Improvement Program by conducting presentations at City Council meetings, publishing articles in community newsletters, mailing targeted letters to homes with deferred maintenance, and posting program information and availability on the City's social media pages and website. Lastly, the program was showcased on the Mayor's Weekly Video Update that is posted on YouTube, the City's website and disseminated through the City's social media accounts.

**Discuss how these outcomes will impact future annual action plans.**

In future annual action plans, the City will continue to focus on providing grants to a wide variety of PSAs to assist the underserved, and to offer grants, rebates and loans to low-income homeowners for rehabilitation of their homes, as the City has had measured success with these programs. The City has already modified the Home Improvement Program due to COVID-19 so rehabilitation projects can continue to be completed while complying with all COVID-19 safety protocols.

Code enforcement in eligible areas will also be utilized as it continues to be an effective tool to address issues of deteriorated or deteriorating properties, and to ensure that all properties obtain building permits when required to support safety of all residents.

While CDBG funds can be used to assist with renovations and creation of new public facilities and capital projects in the targeted neighborhoods, other priority community needs, such as housing and human services, must also be considered and will be prioritized due to the limited amount of CDBG funds that are available.

One of the main obstacles to meeting low- income and underserved households is that the funding received from CDBG is not sufficient to have an impact on the development of new housing units, which, because redevelopment funds from the state are no longer available, makes the creation of affordable housing difficult. Economic growth over the past decade has also had a serious impact on the cost of land to develop affordable housing. There is a real struggle for affordable housing developers to purchase land to successfully produce housing units at an affordable cost without financial assistance from the City. The City reduced its goals with the assumption that sufficient funds would not be available in the near future.

**Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.**

<b>Number of Households Served</b>	<b>CDBG Actual</b>	<b>HOME Actual</b>
Extremely Low-income	76	0
Low-income	458	0
Moderate-income	22	0
<b>Total</b>	<b>556</b>	<b>0</b>

**Table 7– Number of Households Served**

**Narrative Information**

City of Fountain Valley funds programs and projects through the PSA Grant Program, Neighborhood Revitalization Program and Fair Housing Council of Orange County to households with income levels that are 80% or less of the median County income. 457 vouchers for rental assistance were provided by OCHA in Fountain Valley, which includes regular Housing Choice Vouchers, Veterans Affairs Supportive Housing Vouchers, Non-Elderly Disabled Vouchers, Family Unification Vouchers, Family Self-Sufficient Vouchers and Port-in Vouchers from other Housing Authorities. Of this amount, 346 vouchers were for elderly households and 45 were for non-elderly disabled households. All OCHA voucher recipients qualify as low-income.

The number of households served in Table 7 include households assisted by OCHA, Interval House Shelter and the City’s Neighborhood Revitalization Program.

## **CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)**

**Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The City supports the County of Orange in its Continuum of Care Program (CoC) that administers the homelessness strategy on a countywide approach. The CoC has restructured its governance so that functions are performed by either the Continuum of Care Board or the Commission to End Homelessness. They have also done extensive updating of their data initiatives to better assess the information collected to assist in implementing programs in the most efficient and cost effective manner.

The City of Fountain Valley participated in the 2019 Point in Time (PIT) count. This is a bi-annual tally of people without a home that determines the number of unduplicated persons that were homeless in shelters and on the streets in Orange County on a particular night. The results of the count shape the county's approach to ending homelessness. The data was collected on January 22, 23 and 24, 2019, using a new GIS application that collects unique ID data to ensure that there were no duplications in the three-day process. The PIT count determined that on those nights, there were a total 6,860 people homeless and in shelters in Orange County. This is 43% higher than the 2017 PIT count that was 4,792 people countywide. The 2019 unsheltered population was 3,961 persons, while the sheltered population was 2,208 persons. 691 more homeless people were sheltered in 2019 than in 2017.

The Orange County Continuum of Care has divided the county into three Service Planning Areas (SPA's) to better utilize resources. The City of Fountain Valley is in the Central Planning SPA. During the 2019 Point in Time count, there were 1,827 unsheltered homeless and 1505 sheltered homeless in the Central SPA. In Fountain Valley, there were 28 unsheltered and 14 sheltered homeless.

The Orange County Health Care Agency also provides Crisis Assessment Teams and Psychiatric Emergency Response Teams countywide to assist with the mental health needs of the homeless community. The Fountain Valley Police Department has a Mental Health Counselor from OCHCA that rides with the Homeless Liaison Officer every week. They try to contact as many homeless people as possible in the city to let them know about services and programs available to assist them. Often times a homeless individual will not accept assistance initially, but, after developing a good relationship with the police officer and the mental health counselor, are

more inclined to accept services that could potentially get them off the street and into shelter.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

Fountain Valley is a member of and supports the CoC Program. The CoC system serves the needs of the homeless through a mix of diverse housing/service providers that include nonprofit organizations (faith-based and community-based), federal, state, and local governmental agencies, public housing authorities, local businesses, schools and universities, law enforcement, private donors, and homeless/formerly homeless persons. Through these partnerships, Orange County is able to garner the resources to leverage federal McKinney-Vento Homeless Assistance Act funds and fill gaps in the system of care for the region's homeless and those at risk of homelessness.

Orange County saw a 121% increase in the number of emergency shelter beds from 2017 to 2019. This added an additional 1,390 beds for a total of 2,539 beds. Currently Orange County has 2,539 Emergency Shelter beds and 1,135 Transitional Housing beds available for homeless.

The City also funds Interval House with CDBG funds through the PSA grant. Interval House offers emergency and transitional housing to domestic violence victims who otherwise be homeless. Last year Interval House assisted 58 women with emergency shelter and support. They also assisted 88 clients with 24-hour crisis counseling and 293 clients with community outreach and education. In-person client services and community outreach was reduced after mid-March due to the Stay at Home Order and the subsequent COVID-19 safety protocols.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

The City of Fountain Valley is continuing to work with County of Orange in the development of the CoC region wide system through involvement with nonprofit organizations (including those representing persons with disabilities), government agencies, public housing agencies, community and faith-based organizations, other homeless providers, service providers, housing developers, private health care organizations, businesses and business associations, law enforcement and corrections agencies, school systems, private funding providers, and homeless or formerly homeless persons. The CoC system addresses the specific needs of each homeless subpopulation: those experiencing chronic homelessness, veterans, persons with serious

mental illnesses, persons with substance abuse issues, persons with HIV/AIDS, persons with co-occurring diagnoses (may include diagnoses of multiple physical disabilities or multiple mental disabilities or a combination of these two types), victims of domestic violence, youth, and any others.

During the 2019-2020 reporting period, Fountain Valley allocated the maximum allowable amount of CDBG funds to public service programs. While some of the organizations funded do not directly serve the homeless, many of their activities help prevent homelessness. These activities include counseling programs for victims of domestic violence and at-risk youth, youth services, elderly services and ombudsman services.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The Fountain Valley Police Department (FVPD) refers homeless persons to a number of shelters in Orange County. FVPD has established a Homeless Liaison Officer who keeps track of the homeless in the community. A mental health counselor rides along with the officer once a week making regular contact with the homeless within the city, and offering services to assist them in getting off the street. The team has developed relationships with homeless individuals and has had some success transitioning anyone interested into transitional or permanent housing. The 2019 Point in Time count recorded Fountain Valley as having 28 unsheltered and 14 sheltered homeless.

One issue often encountered is the fact the homeless population in the City is somewhat transient. Many homeless, including those living in vehicles, may be in the City one day, and gone the next. The team may initiate contact with homeless individuals to offer services, and later they cannot be located for follow up. FVPD also refers victims of domestic violence that have become unexpectedly homeless to emergency shelters, some of which are funded by the City's PSA grants.

In order to further assist connecting people experiencing homelessness with additional supportive services offered in Orange County, 2-1-1 Orange County or [www.211oc.org](http://www.211oc.org) has created a "Comprehensive Resource Guide for Orange County". This virtual one-stop resource guide puts clients in contact with organizations offering supportive services such as substance abuse treatment, mental health services, veterans services, health care, employment services,



legal services, disability services, senior services, transportation and shower facilities. Staff routinely makes referrals to 2-1-1 Orange County for those clients seeking information.

Outside of the CDBG program, the Fountain Valley Housing Authority has provided funding for a 50-unit affordable housing apartment complex that will have eight (8) units set aside for permanent supportive housing for Veterans Affairs Supportive Housing (VASH) recipients. The developer is currently completing their project financing and anticipates breaking ground in November 2020 with units available for lease in summer of 2022.

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## **CR-30 - Public Housing 91.220(h); 91.320(j)**

### **Actions taken to address the needs of public housing**

There are no public housing units located in the City of Fountain Valley.

The City of Fountain Valley collaborates with OCHA to provide affordable housing opportunities through the provision of HUD Section 8 Rental Assistance to extremely low and very low-income persons/households including seniors, disabled persons and persons with special needs with HUD Section 8 Rental Assistance Vouchers. In FY 2019-20, 457 vouchers were issued to Fountain Valley households.

### **Actions taken to encourage public housing residents to become more involved in management and participate in homeownership**

There are no public housing units located in the City of Fountain Valley; therefore, no actions are being taken.

### **Actions taken to provide assistance to troubled PHAs**

There are no public housing units located in the City of Fountain Valley; therefore, no actions are being taken.

### **CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)**

**Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)**

The major barrier to achieving affordable housing goals is the exorbitant cost of existing housing and the increasingly high cost of housing construction and land costs. Another major factor is the lack of available land that would produce an economically viable option for production of housing for low and moderate-income households.

In 2016, the City passed an ordinance permitting transitional and supportive housing by-right in all residential zones in an attempt to dissolve barriers to the operation of transitional and supportive housing in the city.

The City also modified the Harbor Boulevard South Island Specific Plan in 2017 to allow affordable housing units to be developed by-right. In FY 2018-19, the Fountain Valley Housing Authority entered into an Affordable Housing Agreement with affordable housing developer, The Related Companies California, to develop a 50-unit affordable housing apartment complex in Fountain Valley. The complex will have eight of the units dedicated to Permanent Support Housing for VASH recipients. The developer has received a tax credit reservation and is currently working on finalizing the remaining financing. They anticipate breaking ground for the development in November of 2020 with a potential lease-up date of summer 2022.

### **Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)**

The City utilizes its entire PSA budget to fund services for underserved individuals in our community. The PSA Grants provide CDBG funds to agencies that have programs for many of the underserved communities including the low and moderate-income elderly, disabled adults and youth.

The City also supports many County programs that are designed to provide a level of care that allows persons with extremely low incomes to receive assistance such as food, shelter, medical needs. There are also private efforts that the City collaborates with such as low-income utility discount programs.

To assist the underserved elderly frail/elderly population, the City monitored 154 units of rental housing for very low and low-income seniors and collaborated with the Orange County Housing Authority who provided Section 8 vouchers to 346 very low-income seniors. The City provided

CDBG funds through the PSA Program to: Meals on Wheels (formerly Community SeniorServ) that provided delivered meals over the year to 45 homebound seniors and provided congregate meals at the senior center for 439 low-income city residents; an additional 11 frail, elderly residents living in long-term care facilities received ombudsman services during the first quarter of the fiscal year from Council on Aging Orange County (COAOC). COAOC voluntarily terminated their grant agreement after the first quarter because they received a state grant that precluded local program funding. The City continued to enhance senior lives by offering programs at the Fountain Valley Senior Center that stimulate and educate seniors; and by providing a number of exercise programs for the senior with limited mobility. The senior center also provides health screenings, financial classes and educational classes to help educate seniors about those important aspects in their lives. Both Meals on Wheels senior meal programs modified their services in March 2020 due to the constraints the pandemic had on their programs. The Congregate Meal program was changed to a drive thru meal pick up program, and services were expanded for the additional number of home delivery clients that required services due to COVID-19.

Through the partnership with Orange County Housing Authority, 457 Section 8 vouchers were provided to very low-income individuals with physical and mental disabilities. Additionally, the City continued to ensure all accessibility features are installed during construction of new housing units in compliance with Fair Housing requirements. Lastly, the City provided grant monies to Elwyn California who provided case management to seven developmentally disabled individuals with mental impairments.

**Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)**

The City has implemented lead based paint hazard testing and/or risk assessment on every home rehabilitation project utilizing CDBG funds.

The City will continue to offer Lead Based Paint Hazard Grants that allows qualified applicants to receive a grant for lead-based paint hazard reduction as part of home improvement program assistance, if needed. For FY 2019-20, two homes were tested for lead-based paint hazards. No lead hazards were found. Many of the home receiving assistance were tested in the previous fiscal year or were exempt from the lead testing requirement. If a home were found to have a lead-based paint hazard, the grant would cover the cost to abate the problem.

**Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)**

According to American Community Survey 2018 data estimates, the percentage of residents with income beneath the poverty level in the State of California was 15.1% (+/- 0.1%). In

comparison, the percentage of residents in Fountain Valley with income below the poverty line was 8.7 % (+/-1.6 %). The survey also showed that 3.4% of all Californians received public assistance income. In Fountain Valley, the public assistance rate was 1.9%. Both of these statistics show that Fountain Valley has fewer poverty-level families than the state average.

The City utilizes its entire public service budget to supply grants that assist underserved individuals, which includes residents living below poverty level. The Public Service Program provides programs for low and moderate-income elderly, disabled adults and youth. The City also provide grants, rebates and low interest deferred payment loans to low- income homeowners to assist with any necessary repairs on their owner-occupied property to keep their properties safe and sanitary.

The City also supports many County programs that are designed to provide a level of care that allows persons with extremely low incomes and below to receive assistance such as food, shelter, medical needs. This includes collaborating with private companies to support programs such as low-income utility discount programs. The City continues its partnership with OCHA to provide rental assistance to low-income households.

**Actions taken to develop institutional structure. 91.220(k); 91.320(j)**

The City of Fountain Valley's Planning and Building Department serves as the lead agency for the implementation of all programs/projects/activities outlined within the Consolidated Plan and subsequent Annual Action Plans. The department is comprised of the Housing and Community Development (HCD) Division, Building Division, Code Enforcement, and the Planning Division. Additionally, the City continued to participate in efforts to work collectively and cooperatively with other Orange County jurisdictions by participating in countywide efforts for all housing programs.

**Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)**

The City of Fountain Valley does not operate any public housing; however, relationships with both private for-profit developers and non-profit public service providers remain active as the City continues to implement its community development programs. In order to maintain and enhance existing relationships between public, private and non-profit organizations, the City of Fountain Valley will continue to participate in all local and regional information and referral meetings between agencies.

The City continues to support and encourage efforts of the OCHA to coordinate private housing

resources and social service agencies' programs.

**Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)**

In 2015, the City collaborated with 15 other Orange County cities to develop a Regional Analysis of Impediments to Fair Housing Choice as required by HUD every five years. The AI provides: 1) an overview of laws, regulations, and administrative policies and procedures; 2) an assessment of how those laws affect the location, availability, and accessibility of housing; and 3) an assessment of conditions, both public and private, affecting fair housing choice.

To ensure Fountain Valley residents have no-cost access to expert advice regarding fair housing, the City funds Fair Housing Council of Orange County (FHCOC) who provides Fair Housing services in the City of Fountain Valley. During FY 2019-20, FHCOC handled a total of 104 general housing and discrimination complaints and inquiries from City residents and property owners. 357 possible violations were received from the 104 inquiries. The most common complaints were regarding rental agreements (64), 3-Day Notice/Pay (40), household repairs (30), and 30-day and 60-day notice questions (41). FHCOC had a 100% success rate in resolving issues without requiring any referee assistance or legal action.

Additionally, the City sponsored several fair housing workshop sessions in the first half of the year that were open to the public for FHCOC to present information to both landlords and tenants. FHCOC also participated in city-sponsored events providing educational information and assistance to both landlords and tenants. Beginning in March of 2020, due to COVID-19, FHCOC could no longer provide in-person activities and moved their educational programs and workshops to a virtual setting providing the same information online.

FHCOC provides an annual report detailing the City's and FHCOC accomplishment addressing Fair Housing. Please see the attached Fair Housing Council of Orange County Analysis of Impediments FY 2019-20 Accomplishments report.

In the spring of 2019, the City of Fountain Valley collaborated with all Orange County cities and the County of Orange to develop a Regional Analysis of Impediments (AI) to Fair Housing Choice for the 5-year period that covers HUD program years 2020-2024.

## **CR-40 - Monitoring 91.220 and 91.230**

**Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

**HCD Staff** - The HCD department prepares an annual report, known as the CAPER, which includes a financial analysis of all HUD, funded activities and programs and an evaluation of each program's performance in meeting its programmatic expenditure goals and outcomes.

Staff monitors every project, including home rehabilitation and PSAs, to ensure compliance with CDBG regulations. Staff conducts on-site annual audits for all sub-grantees and on-site progress inspections throughout each home rehabilitation project.

**Housing and Community Development Advisory Board** – The Housing and Community Development Advisory Board (HCDAB) meets on a regular basis to review programs and procedures related to the CDBG. Each year, the HCDAB is presented with the CAPER for review.

**City Council** - The City Council reviews the City's CAPER on an annual basis and conducts a public hearing to receive comments from stakeholders.

**Quarterly Reports:** - On a quarterly basis, the HCDAB is presented with a report that summarizes the accomplishments of PSAs funded under the City's PSA Grant program.

**IDIS:** - Integrated Disbursement and Information System – All funds to be drawn are reviewed by the Finance Department prior to the authorization of the draw of funds from HUD.

### **Monitoring changes due to COVID**

Monitoring activities were able to remain primarily the same other than on-site monitoring. Fiscal year 2019-20 on-site audits were conducted remotely. The PSA's supplied necessary information to city staff to evaluate their programs compliance with CDBG regulations. Public Hearings continued to be conducted and the public was advised how to participate via email. Information was provided to the public on how to watch City Council meetings online, or on cable, if they chose not to attend in person. Social distancing and masks were required at all public events.

## **Citizen Participation Plan 91.105(d); 91.115(d)**

**Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.**

A Notice of Availability of the City of Fountain Valley's FY 2019-20 CAPER and dates of public meeting and public hearing was published in the Fountain Valley View on August 27, 2020. The FY 2019-20 CAPER was made available to the public for a 15-day period commencing on August 27, 2020, and ending on September 15, 2020. The Public Notice advised of a public meeting in front of the HCDAB on September 2, 2020, and a public hearing in front of the City Council on September 15, 2020. The draft CAPER was posted on the City of Fountain Valley's website and made available via email by request. The Public Notice provided an email address for public comment for those not wanting to attend in person and advised of how to view the Council meeting online or on cable television.

A public meeting of the HCDAB meeting was held on September 2, 2020, to review the draft FY 2019-20 CAPER. The meeting agenda was noticed at City Hall and was posted on the City's website. No comments were received. (TBD)

A public hearing was held in the City of Fountain Valley Council Chambers on September 15, 2020, before the Fountain Valley City Council to review the draft FY 2019-20 CAPER. The meeting agenda was noticed at City Hall and the City website. City Council meetings are available to stream on the City's website and on local cable TV. An email was provided to obtain citizen input on the CAPER. No comments were received. (TBD)

See attached copy of proof of publication of Public Notice.

## **CR-45 - CDBG 91.520(c)**

**Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.**

The City of Fountain Valley has completed the fifth year of the 2015-19 five year Consolidated Plan. The City has made consistent and effective strides towards meeting its goals as laid out in the Consolidated Plan and continues to implement the projects identified in the Con Plan to benefit low and moderate-income households in the city. There will be no changes proposed to the program objectives based on the City's performance evaluation for the 2019-2020 reporting period.



The City will continue to use the CDBG-CV funding and allowable 2019 and 2020 CDBG funding, to develop or enhance programs that assist residents that are effected by COVID-19.

**Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?** No

**[BEDI grantees] Describe accomplishments and program outcomes during the last year.**

N/A

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# ATTACHMENTS

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**FAIR HOUSING COUNCIL  
OF ORANGE COUNTY  
ANALYSIS OF IMPEDIMENTS  
FY 2019-20  
ACCOMPLISHMENTS**

**(to be inserted after receipt from FHCOC)**

# PROOF OF PUBLICATION

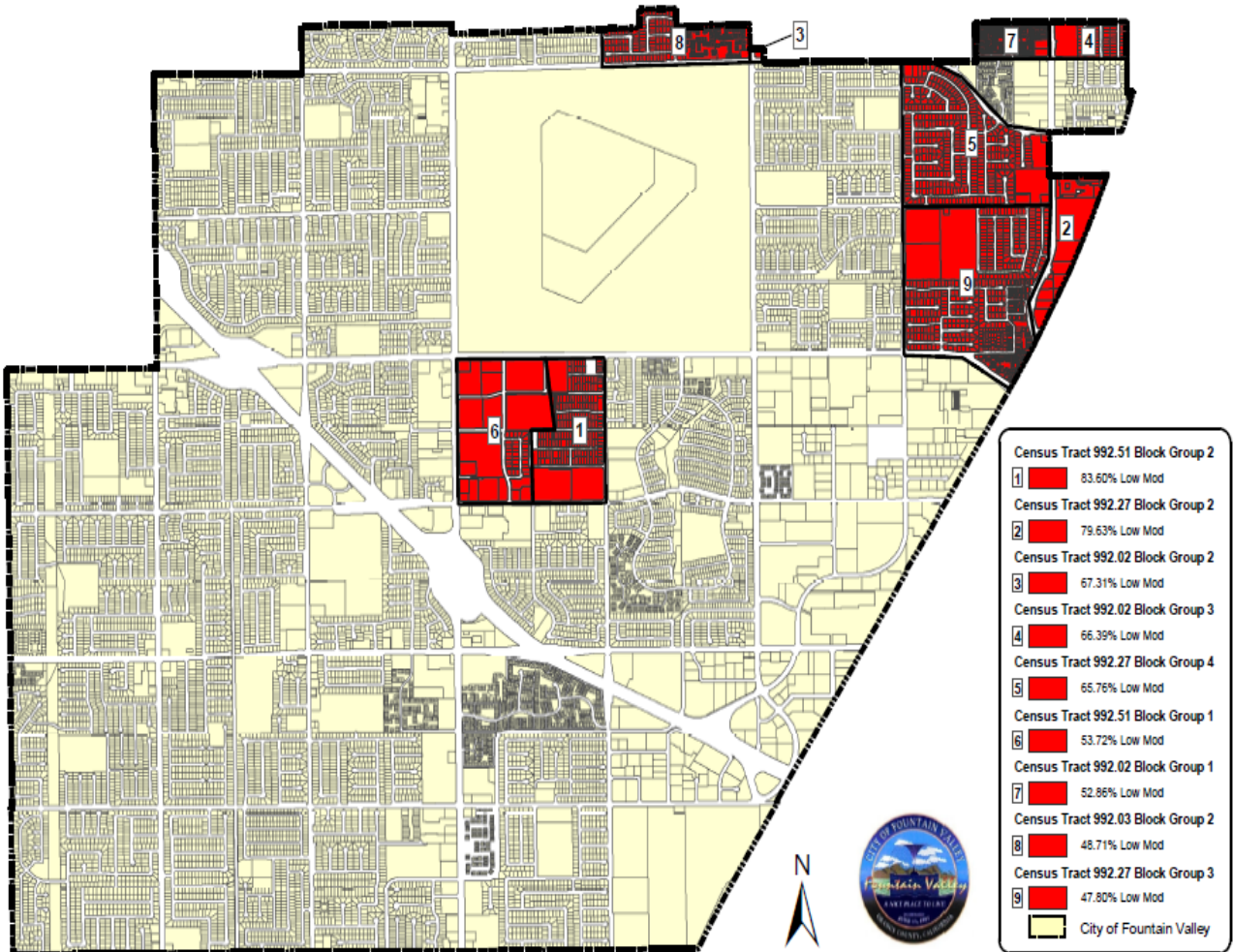
## PUBLIC NOTICE

(to be inserted after 8/27/20 publication)

# CDBG ELIGIBLE AREAS FOR CODE ENFORCEMENT

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# CDBG CODE ENFORCEMENT ELIGIBLE LOW INCOME AREAS



# HUD REPORTS

PR-26 Financial Summary Report

PR-3 Activity Summary Report

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