



# Town of Paradise, California

## FOURTH PROGRAM YEAR CAPER

(July 1, 2007 through June 30, 2008)

### Executive Summary

The Consolidated Annual Performance and Evaluation Report (CAPER) covers the program year beginning July 1, 2007 and ending June 30, 2008. The Town received \$228,754 in Community Development Block Grant funds for the 2007-2008 program year. The funds were allocated in compliance with the 2007-2008 Annual Action Plan as approved by the Paradise Town Council. The activities funding in the 2007-2008 program year were:

- Community Organizations .....\$34,313
- Housing Assistance.....\$53,000
- Planning and General Administration.....\$45,750
- Public Improvements.....\$95,691

The following table (Table 1) depicts a breakdown of funds allocated and expended by specific category and also shows the funds allocated/expended in community facilities in recent program years. For further information, narrative explanations follow behind the tables.

<b>Table 1. Funds Allocated/Expended by Program Year</b> <b>This table includes all open grant program years</b>			
<b>PROGRAM YEAR</b>		<b>2007-08</b>	
<b>Activity</b>	<b>Site Address</b>	<b>Funds Allocated</b>	<b>Funds Expended</b>
Boys & Girls Club	6249 Skyway	2,613	2,613
Catalyst, Women's Advocates	6249 Skyway	12,000	12,000
Paradise Recreation and Park District	6626 Skyway	2,000	2,000
Peg Taylor Adult Day Health Care Ctr	124 Parmac, Chico	6,200	6,200
STRIVE	6626 Skyway	2,500	2,500

Youth for Change	6249 Skyway	6,000	6,000
Housing Programs	Various Locations	53,000	53,000
Program Planning & Administration	5555 Skyway	45,750	45,750
Public Facilities	Berry Creek Drive	95,691	0
<b>Program Year</b>		<b>2006-07</b>	
Public Facilities	Berry Creek Drive	43,374	0
<b>Program Year</b>		<b>2005-06</b>	
Public Facilities	Berry Creek Drive	54,517	0
<b>Program Year</b>		<b>2004-05</b>	
Public Facilities	Berry Creek Drive	37,226	0

The following table (Table 2) lists the goals and accomplishments for the program year period.

<b>Table 2. Goals/Accomplishments</b>			
<b>Activity</b>	<b>Goal</b>	<b>Accomplishments</b>	<b>Funds Expended</b>
Housing Assistance	16	12	53,000
Public Improvements	1	0	0
Boys & Girls Club	60	84	2,613
Catalyst	175	223	12,000
CHCC	100	61	3,000
PRPD	60	45	2,000
Peg Taylor Center	850	579	6,200
STIVE	125	36	2,500
Youth for Change	500	720	6,000

Community Organizations: Goals were based on amounts requested by the applicant during the initial application process. The Town was unable to accommodate the full amounts requested by the subrecipient applicants, therefore, in most cases, original goals were not able to be met as originally proposed. Some

of the organizations, however, were able to meet and exceed their original goals. Both the goals and accomplishments are tracked during the program year by the Town and by the community organization. The Town monitors each organization at its site twice each year. During the site visits, goals, accomplishments, program requirements, and issues/concerns are discussed.

Housing Programs: The Town has one full-time and one part-time staff devoted to housing activities. During the 2007-08 year, almost \$972,482,72 was spent on mortgage assistance and owner-occupied housing rehabilitation programs. This amount includes all funding sources, including revolving fund and program income accounts. The Town's current housing program funded by CDBG, HOME and a small amount of RDA funds, is very successful and very important to low/mod income residents. This is especially true since the recent fires experienced in the Town. At this time, staff does not propose any changes to the program delivery system.

Public Improvements: The construction plans and specifications for Estes Park are complete. Additional funding from the California Department of Parks and Recreation is being sought and should be approved by the end of the calendar year. Construction on the park is scheduled to begin during the 4<sup>th</sup> quarter of 2008 and be completed by the 3<sup>rd</sup> quarter of 2009.

## **Managing the Process**

The Community Development Block Grant Program is an integral component of the Town's downtown revitalization strategy and its comprehensive redevelopment strategy. The ensure that Community Development Block Grant funds are used to benefit the highest number of income eligible households and to coordinate the CDBG Program with other federal, state and local programs, management responsibility has been assigned to the Office of the Town Manager, Business and Housing Services Division.

The Business and Housing Services Division was initially formed in 1994, the first year the Town of Paradise received Community Development Block Grant funds. The Division provides daily program management, oversight, and long range planning and coordination with other town sponsored or funding programs and projects.

Specifically, the Division staff manages the housing programs to ensure compliance with program regulations, including income eligibility, the sub-recipient program to ensure eligibility and regulatory compliance; and public facilities projects to make certain that the program meets national objectives and compliance with program regulations.

In addition to staff's responsibilities for program management, the Paradise Town Council is directly involved in the development and adoption of the Annual Action Plan and the Consolidated Annual Performance and Evaluation Report. The Council makes the final selection of sub-recipient organization and the final allocation of

CDBG funds. Inherent in the development, implementation plan oversight of the program is the citizen involvement process. The Annual Action and Plan and the Consolidated Annual Performance and Evaluation Report are available for public review and comment during the respective comment periods. The Town Council, following noticed public hearings, enacts final adoption of each.

Lastly, the Town's independent auditing firm monitors all federal and state funded programs for compliance in accordance with the requirements of the Single Audit Act. The results of the audit are filed with the federal and state agencies, as required by the various funding agencies.

## **Citizen Participation**

The following notice was published in the Paradise Post, a newspaper of general circulation in the Town of Paradise on August 23, and 26, 2008.

### **PUBLIC NOTICE TOWN OF PARADISE CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT**

The Town of Paradise seeks public comment on the Consolidated Annual Performance and Evaluation Report (CAPER) for the Town's Community Development Block Grant Program. The CAPER, prepared for the US Dept of Housing & Urban Development, reports on specific federal housing assistance/community development activities, 5555 Skyway, Paradise, 8-5 p.m. Mon-Thurs and Friday, 8-10 a.m. beginning September 8, 2008.

Citizens/groups may submit written/verbal comments on the CAPER during a 15-day period 9/8/08 to 9/22/08 and at a public hearing at the Paradise Town Council meeting 9/23/08 at 6pm (or as soon thereafter as possible) at the Town Hall Council Chambers, 5555 Skyway, Paradise. Comments received by 9/23 will be summarized and included in the report. If you challenge any issues stated above in court, you may be limited to raising only those issues raised at said public hearing, or in written correspondence delivered to the Town Manager at, or prior to, the public hearing.

For information or to submit comments, contact Town of Paradise, Business & Housing Services Div., 5555 Skyway, Paradise, 95969, or phone 530-872-6235. For special accommodations for a disability or needs, call 48 hours in advance of the meeting. TDD users call CA Relay Service TDD Access #1-800-735-2929.

In addition, the Paradise Town Council conducted a Public Hearing on the CAPER at their September 23, 2008, Council Meeting. Announcements of all meetings and full agenda packets are available on-line.

A copy of the CAPER was made available to citizens at the following locations:

- Family Resource Center, 6249 Skyway, Paradise, California
- Butte County Public Library, 5922 Clark Road, Paradise, California
- Paradise Town Hall at 55555 Skyway, Paradise, California
- Town of Paradise website [www.townofparadise.com](http://www.townofparadise.com)

These locations are known to be accessible to persons with disabilities as well as to persons of low/moderate income, as well as to citizens-at-large who may be interested in participating through public commentary.

No comments were received from the public during the public review period.

## **Institutional Structure**

In this past year, the Business and Housing Services Division hired an Administrative Analyst. This position will, among other duties, assist with CDBG administration and planning. Further training, especially in IDIS will be required. The Division Director also serves as the Assistant to the Town Manager and Assistant Director of the Redevelopment Agency. The comprehensive nature of the Director's position allows for the coordination of CDBG programs with redevelopment agency programs and other town programs. This coordination results in the best effective leveraging of federal, state, and local community development dollars.

The Paradise Ridge's newly formed Homeless Task Force has continued efforts to provide a forum for members to address their particular aspect of the issue, and the opportunity to coordinate the scarce resources that are available for such an important societal issue.

## **Monitoring**

The goal of the Community Development Block Grant Program is to reverse negative socio-economic trends and restore community vitality. Targeted CDBG funding can be a catalyst for comprehensive and cooperative community building efforts, as well as provide foundational funding for many of those efforts.

In 1994, the same year the Town began its CDBG program; it also adopted the General Plan. The General Plan outlines the community's vision and goals for the next 15 years. The plan begins with a discussion of **Keys to the Future**. These keys resulted from numerous discussions with a myriad of citizens' committee groups. They are perhaps the broadest policy that the Town has developed. The **Keys to the Future** are:

- Preserve the natural beauty and charm of the Town
- Encourage residential and commercial growth, but not at the expense of the environment
- Provide an adequate and reasonable level of public services
- Encourage and support community-based education for all ages
- Foster the involvement of citizens with their government

- Be a good neighbor by encouraging and cooperating in regional planning efforts

Since the General Plan is the primary public policy document for the Town of Paradise, other programs or projects, including the CDBG program, should comply with its policies and priorities. Toward that end, the Consolidated Plan for the Community Development Block Grant Program is designed to support the General Plan and in so doing, adopts its **Keys to the Future** as its mission statement.

During the life of the 2000-2005 Consolidate Plan, the Town Council invested Community Development Block Grant funds and other state and federal funds town-wide. The community's eclectic nature and extensive need warranted a Town-wide allocation policy.

However, the advent of redevelopment activities and an increasing comfort level with community building programs has allowed town leaders to begin targeting their revitalization resources. Redevelopment funds are restricted to the boundaries of the redevelopment project area, with the notable exception of the Agency's housing funds, which can be spent anywhere within the Town of Paradise. The CDBG Program is beginning to follow that approach and target activities within specified low and moderate-income neighborhoods. This approach results in noticeable improvements to the neighborhood, and leverages funds from several sources.

The planning and public participation process that is such an integral component of the Community Development Block Grant Program has been useful in identifying a multitude of community needs. The process has provided a means to express those needs, but more importantly, it has fostered a cooperative relationship between the town government, community based organizations, and residents. As with most communities, the needs far outweigh the resources available to confront and resolve those situations. However, as illustrated in the Priority Needs table, the CDBG Program has endeavored to place funding in those areas of high need. The luxury of funding medium or low priority activities is not one that the town can afford.

The program has identified and funded housing programs, downtown revitalization/economic development programs, public parks projects, and supported activities for a variety of non-profit organizations. Those efforts have achieved results both in the field and in the town's ability to secure additional public and private sector funding to support those programs.

The town's barriers to even greater program success are, most likely, the same as those experienced by any other American city. Resources – money and staff – are the limiting factors that negatively influence the town's ability to reach its goals. While most of our programs are moving ahead, the Estes Memorial Park project is moving slowly because of a lack of funds to construct the entire project. As a result, staff is moving forward in phases and relying on community volunteers

whenever possible. Certainly additional funds would help, as would additional staff to coordinate both the search for funds and the park's development.

Staff is in the process of drafting the performance measurement system. Training materials have been provided by the regional office, and town staff will be including performance measurement requirements with the 2008-09 program material.

The Town of Paradise funds only programs and/or projects that principally benefit low and moderate-income individuals and families, or benefit a HUD identified low and moderate-income neighborhood, of which the town has three. Housing program participants are required to submit income information, the park project is in a low and moderate-income neighborhood, and sub-recipient funding goes to groups that either verify income eligibility or serve a presumed benefit clientele.

The town's program objectives as described in the Consolidated Plan and the Annual Plan have not been modified. The 2005 – 2010 Consolidated Plan reflects the town experience with the 2000 – 2005 Consolidated Plan and its Annual Plan components.

Town staff pursued additional resources in order to implement the goals and objectives of the Consolidated Plan and the Annual Plan. Additional HOME/ADDI funds were received from the State of California. The 45-acre Paradise Community Village project, consisting of 90 affordable housing units, single-family residential, schools, parks, and other community facilities, continued to receive disbursements from the Cowell Foundation grant. Lastly, the Redevelopment Agency Board of Directors adopted a budget that supports the façade renovation program, the business development program, and the housing assistance program.

The Town of Paradise did not conduct any activities that resulted in the relocation of tenants and/or homeowners during the program year. The town makes every effort to accomplish its goals and objectives without displacing our residents and businesses.

The Town stays below the one-1/2 times grant amount cap on unspent funds. Expenditures do not differ substantially from letter of credit disbursements because the Town operates its CDBG Program on a reimbursement basis.

While the Community Development Block Grant Program is charged with reversing the symptoms of a declining community, staff understands that doing so is more than just good planning and implementation. Obstacles must be overcome in order to eliminate the needs of an under-served population and reverse decades of community deterioration. Quite often those obstacles have become, albeit unintentionally, part of the fabric of the community.

In other cases, the obstacle is one resulting from a market economy, such as what happened with the Town's rapidly escalating housing market and the impending mortgage crisis. The housing down-turn has steadied housing prices and has left



more houses on the market because individuals are concerned about the rising prices of fuel, energy and food.

Homes eligible for the HOME-funded mortgage assistance program must not only be affordable to income-eligible buyers, but they must also be in "FHA loanable" condition. Lower priced homes do not meet these and other requirements, resulting in a slump in first time homebuyer program activity.

In the final analysis, two obstacles hinder the Town's ability to address the needs of the under-served population – adequate funding and the absence of the economic and social systems necessary for a viable community. Certainly, Community Development Block Grant funds go a long way toward alleviating a variety of housing and community needs. Additionally, the Town pursues every opportunity to augment its CDBG dollars with other state and federal programs; however, one should remember that community building is a long and expensive undertaking that requires substantial political and financial investment to succeed.

### **Lead-based Paint**

The Town of Paradise manages owner-occupied residential rehabilitation programs and mortgage subsidy programs for first time homebuyers. These programs are funded under a HOME grant from the California Department of Housing and Community Development (HCD) and through the Paradise Redevelopment Agency. The HCD funded HOME program requires that lead clearances be obtained for both the residential rehabilitation and mortgage subsidy programs. The redevelopment agency has folded those requirements into the agency-funded programs.

## **HOUSING**

### **Housing Needs**

The Town of Paradise manages owner-occupied residential rehabilitation programs and mortgage subsidy program for first time homebuyers. These programs are funded under a HOME grant from the California Department of Housing and Community Development (HCD) and through the Paradise Redevelopment Agency.

The owner-occupied residential rehabilitation program offers low and moderate-income homeowners the opportunity to remain in housing that has been affordable to them, in some cases for over twenty years. The fact that the Town of Paradise is completely dependant on septic tanks and leach fields for the disposal of wastewater can pose a serious health/public health issue, as well as an affordability issue given, the extreme costs of replacing failed systems. Absent the Town's assistance, these homeowners would not be able to afford the cost of home maintenance, deferred maintenance, and wastewater disposal system replacement. The challenge of coming up with the significant funds needed to cover these expenses is difficult.



## **Specific Housing Objectives**

As stated in the Annual Action Plan, 16 households would be assisted during the program year. During the program year, a total of 30 households received assistance under the Town's housing rehabilitation and first-time homebuyers programs. Most households were low income; one household qualified as moderate income and received assistance from the redevelopment agency. The balance of the recipients received assistance under the CDBG and HOME programs.

The multi-family development, if funded, will assist low and very low-income tenants.

## **Public Housing Strategy**

The Housing Authority of Butte County administers a Section 8 rental-housing program in the Town of Paradise. The Housing Authority also owns a multi-family complex in town that rents a mixture of market and subsidized units. Although the Town has not been directly involved in the administration of either program, the Town and the Housing Authority maintain a close working relationship and assist one another whenever requested.

During the past program year, the Housing Authority requested and receive focused police patrol of the multi-family complex, as well as targeted action by the Code Enforcement Division in order to address several tenant issues. Several days of the focused patrol and code enforcement attention quickly resolved the issues and allowed the Housing Authority to regain control of declining situation.

## **Barriers to Affordable Housing**

The Town has identified the availability of properly priced housing as the principal barrier to affordable housing in the community. Over the past two decades, much of the newly constructed housing has been custom homes – a market segment not generally available to low and moderate-income households. Therefore, it is important to maintain the community's housing stock that is affordable to low and moderate-income households. To do so, the Town provides a residential rehabilitation program for owner occupied housing, and a mortgage subsidy program to assist first time homebuyers.

The residential rehabilitation program allows low and moderate-income families to remain in a house that they can afford. Although it has been difficult to find homes that qualified as affordable during the recent housing boom and the drop in the market, the changes have significantly increased the demand for mortgage subsidy assistance, and declining home prices have increased the number of available units.

## **HOME/ American Dream Down Payment Initiative (ADDI)**

The Town of Paradise received a HOME/ADDI allocation in 2007. A total of thirteen loans were made to low income homeowners. The loans were made for both mortgage assistance

and owner-occupied housing rehabilitation. The loans ensure that housing quality standards and lead-based paint issues are complied with.

## HOMELESS

### **Homeless Needs**

\*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

The Town's participation in meeting the needs of its homeless population is evolving. A coalition of service providers and concerned residents of both Paradise and the surrounding unincorporated area have formed a community-based task force. The task force is developing a plan of action to identify and address the extent of the homeless situation on the Ridge, the characteristics of the homeless population, resources available to confront the needs, and the responsible agencies that need to be involved in this effort.

The task force is using data collected from a January 2007 survey of the area's homeless population. The homeless census and survey was completed and the count indicates that Paradise and adjacent unincorporated areas have 300 homeless individuals. While the larger community is experiencing a substantial increase in its homeless population, the survey shows that many of the homeless are "couch surfers" and single-parent families living with friends and relatives. As such, a significant element of the homeless population may not meet the federal definition of "homeless". While this does not diminish the need or the community's commitment to confronting the issue, it does make funding programs to address the needs more difficult.

The Town of Paradise does not directly administer a transitional housing program. The Town and CDBG Program support the local women's shelter and that shelter provides emergency and transitional housing.

The Town of Paradise did not seek funding under the SuperNOFA.

### **Specific Homeless Prevention Elements**

The Town takes two approaches to homeless prevention. The first is our residential rehabilitation program. This program provides for the repair of items that threaten the homeowner's ability to remain in the home. The Town of Paradise is an unsewered community, and as such relies on septic tanks and leach fields located on the homeowner's property to dispose of wastewater. A failed wastewater system can result in health and safety issues. Furthermore, many of the homes that are occupied by low and moderate-income residents were constructed on smaller lots that can no longer accommodate the disposal of wastewater. This generally results in the need to construct/install special and often technologically advanced systems. These systems can resolve the wastewater issue but they range in price from \$30,000 to \$60,000 – a cost that low and moderate-income residents cannot

afford. The residential rehabilitation program makes it possible for these residents to remain in their homes.

The Town of Paradise also supports two community-based organizations that aid in the prevention of homelessness. The CDBG Program funds the Family Resource Center (Youth for Change). The Center's Family Support Program provides direct services and interventions to income eligible families with the goal of avoiding those catastrophic situations that often result in unemployment, delinquent rent payments, and homelessness.

The CDBG Program also funds Catalyst, a women's advocacy group that also provides emergency and transitional housing predominantly for abused women and their children. Services are also available for abused men. The emergency shelter provides an immediate safe harbor and time to recover and regroup from the abusive situation.

### **Emergency Shelter Grants (ESG)**

The Town of Paradise does not receive ESG funding.

## **COMMUNITY DEVELOPMENT**

### **Community Development**

The long standing success of the Community Development Block Grant Program is its ability to serve as a catalyst. This, or any other program, will never have funding in the amount needed to address all of the community's needs. However, community leaders have been successful in using the CDBG program to bring community needs to light, fund a demonstration project or a model program, and use the new found support and experience to garner even greater community support as well as new funding sources. This broad based community involvement ensures that the community's goals and objectives and the CDBG program's goals and objectives are not only consistent, but the means to address and resolve the needs are coordinated.

The Business and Housing Services Division exceeded its housing goals for the program year.

All of the CDBG/HOME/RDA programs are available to income qualified households. In addition, the Town's HOME application for the construction of 30 affordable housing units includes a set aside of units for very low income tenants.

A program amendment was submitted last program year. The amendment transferred funds from the Estes Park project to a land acquisition activity related to the purchase of the 45-acre Paradise Community Village project.

The Town of Paradise pursues all reasonable grant opportunities to fund a variety of housing and community development projects. Staff has been extremely successful in obtaining federal and state funding. Additionally, staff has been very successful in obtaining private foundation support for both community programs and projects. Staff has provided certificates of consistency to the Housing Authority of Butte County and to the Community Housing Improvement Program for their credit counseling and first time homebuyer training programs.

All CDBG funds are used to meet national objectives.

The program endeavors to avoid displacing any residents, and in fact has not pursued activities that require relocation.

The program year's activities did not include a Low/Mod Job component.

Subrecipients are required to verify the income of their program participants.

The program did not receive program income during the program year.

Prior period adjustments, float-funded activities, lump sum activities, and neighborhood revitalization activities are not included in the Town's CDBG program.

### **Antipoverty Strategy**

In general, the intent of the Town's economic development programs is the creation of living-wage jobs for local residents. Although the CDBG Program no longer funds the commercial façade improvement program, the redevelopment agency has picked up the mantle of business and economic development and expanded its initial scope. Staff is continually works with new businesses and existing businesses, with developers and entrepreneurs, and with local business associations to expand opportunities and strengthen the current state of the local economy.

The CDBG Program also continues to fund the Family Resource Center's Family Support Program, which as previously mentioned works with families to avert catastrophic events and strengthen the skill sets needed to move out of poverty and into more stable family and economic situations.

## **NON-HOMELESS SPECIAL NEEDS**

### **Non-Homeless Special Needs**

California's legal system is attempting to come to grips with the number of inmates incarcerated for substance related crimes. Many of those imprisoned for substance abuse are being granted an early release and treatment in group home settings. While our local treatment providers knew of the impending change, the sheer number of inmates released to these programs resulted in housing related issues.

Staff has been actively assisting the largest substance related treatment provider in the effort to expand the bed count in group home settings. Staff provided assistance with all aspects of land use, building, and wastewater disposal permits. Additionally, the Town provided a forum to discuss the multitude of issues resulting from this new approach to the treatment and rehabilitation of non-violent substance abuse offenders.

The issue is by no means resolved. The demand for beds has caused a near “gold rush” mentality. While staff will continue to work with service providers, it is the individual who believe that they can set up a group home and offer meaningful, results-oriented rehabilitation that continues to cause a problem – not so much for the Town as an organization, but for the overall community and certainly those entering the programs. This situation will continue to be the principle non-homeless special needs issue for the foreseeable future, and staff will continue to play a part in its solution.

### **Specific HOPWA Objectives**

The Town of Paradise does not administer a HOPWA program.