

I. INTRODUCTION

The Consolidated Plan is a planning document that identifies the City's overall housing and community development needs, and outlines a strategy to address those needs. The Plan includes the following components:

- An assessment of the City's housing and community development needs and market conditions;
- A strategy that establishes priorities for addressing the identified housing and community development needs; and
- A one-year investment plan that outlines the intended use of federal resources.

A. PURPOSE OF THE CONSOLIDATED PLAN

The Consolidated Plan is a requirement of the U.S. Department of Housing and Urban Development (HUD), and must be developed by local governments in order to receive funding under the following Federal programs: Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG) Program, American Dream Downpayment Initiative (ADDI) Program and the Housing Opportunities for Persons with AIDS (HOPWA) program.

In the past, local jurisdictions applied for each of these funding programs using separate and distinct planning procedures and timelines. In 1994, HUD combined the planning, application and reporting requirements of these programs into a single Consolidated Plan for Housing & Community Development. The Consolidated Plan is a comprehensive planning document that identifies overall needs for affordable and supportive housing, homeless shelters and services, and community and economic development. The Plan also identifies activities to be undertaken to meet these needs, and serves as an application for entitlement fund allocations for the programs cited above.

B. SCOPE & STRUCTURE OF THE CONSOLIDATED PLAN

The Consolidated Plan focuses specifically on the housing and community development needs of low- and moderate-income persons, as defined by HUD regulations. In addition, the document identifies the housing and supportive service needs of the homeless and other persons with special needs (including the elderly/frail elderly, persons with physical, mental, and developmental disabilities, persons with alcohol/drug addictions, and others).

Communities also use the Consolidated Plan process to identify community development needs, including needs for public facilities and services, economic development and infrastructure improvements.

The Strategic Plan portion of this Consolidated Plan covers the five-year period from October 1, 2005 to September 30, 2010. The Action Plan covers the upcoming one-year program period of October 1, 2005 to September 30, 2006.

C. PLANNING FRAMEWORKS

The 2005-2010 Consolidated Plan satisfies requirements of four Community Planning and Development (CPD) programs offered by the U.S. Department of Housing and Urban Development (HUD):

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)
- Emergency Shelter Grant (ESG)
- American Dream Downpayment Initiative (ADDI)

D. PROGRAM DESCRIPTIONS

Community Development Block Grant (CDBG)

The CDBG program was initiated by the Housing and Community Development Act (HCDA) of 1974. The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income (defined as below 80 percent of area median income).

Through the CDBG program, the U.S. Department of Housing and Urban Development (HUD) provides funds to local governments for a wide range of community development activities for low-income persons. CDBG funds are likely the most flexible federal funds available to local governments. Funds can be used for a wide array of activities, including:

- Housing rehabilitation (loans and grants to homeowners, landlords, nonprofits, and developers)
- Down payment and other homeownership assistance
- Lead-based paint detection and removal
- Acquisition of land and buildings
- Construction or rehabilitation of public facilities such as shelters for the homeless and domestic violence victims
- Removal of architectural barriers to the elderly and disabled
- Public services such as job training, transportation, and child care
- Rehabilitation of commercial or industrial buildings
- Loans or grants to businesses

Regulations governing the CDBG program require that each activity undertaken with CDBG funds meet one of the following three broad national objectives:

- Benefit people with low and moderate incomes
- Aid in the prevention or elimination of slums and blight
- Meet an urgent need (such as earthquake, flood, or hurricane relief)

HOME Investment Partnership (HOME)

The HOME program was created as part of the 1990 National Affordable Housing Act. The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low income households (defined as below 80 percent of area median income). The program gives local governments the flexibility to fund a wide range of affordable housing activities through housing partnerships with private industry and non-profit organizations. HOME funds can be used for activities that promote affordable rental housing and homeownership by low income households, including:

- Building acquisition
- New construction and reconstruction
- Moderate or substantial rehabilitation
- Homebuyer assistance
- Tenant-based assistance

Strict requirements govern the use of HOME funds. Two major requirements are that the funds must be: (1) used for activities that target low income families; and (2) matched 25 percent by non-federal funding sources.

Emergency Shelter Grant (ESG)

The Emergency Shelter Grants (ESG) program provides homeless persons with basic shelter and essential supportive services. ESG funds can be used for a variety of activities, including:

- Rehabilitation or remodeling of a building used as a shelter
- Operations and maintenance of a homeless facility
- Essential supportive services (i.e., case management, physical and mental health treatment, substance abuse counseling, childcare)
- Homelessness prevention

ESG grant funds must be matched dollar-for-dollar with non-federal funds or "in kind" contributions such as the value of a donated building, supplies and equipment, new staff services, and volunteer time.

American Dream Downpayment Initiative (ADDI)

This new initiative provides grants to help homebuyers with the downpayment and closing costs, the biggest hurdles to homeownership. The program is intended to increase the overall homeownership rate, especially among minority groups who have lower rates of homeownership compared to the national average. The focus is on low and moderate income families who are also first-time homebuyers. To participate, recipients must have annual incomes that do not exceed 80 percent of the area median income.

E. LEAD AGENCY

The Long Beach Department of Community Development serves as the lead agency in coordinating the preparation of the Consolidated Plan.