

# NO PLACE LIKE HUD

## A Report on the Community Development Commission of Mendocino County

May 22, 2008

### **Summary**

The 2007-2008 Grand Jury reviewed the Community Development Commission of Mendocino County (CDC). The CDC Mission statement is: “Provide opportunities for *decent, safe, and suitable living environment to low- and moderate-income and special needs households* and communities in an effective, efficient, and respectful manner.”

The CDC is an arm of Housing and Urban Development (HUD), a Federal agency that provides housing for those with special needs. CDC has two programs in Mendocino County: “Direct placement” and “Voucher application.” Direct placements are in CDC or CDC/HUD owned housing. Voucher system tenants are placed in privately owned homes subsidized by HUD and administered by CDC.

“Public Housing” properties are developed with the assistance of HUD and “Affordable Housing Developments” are properties developed by CDC alone. They provide habitat for people with specific needs, including but not limited to the disabled and the homeless. Those qualifying for housing under CDC programs must meet federal standards. The CDC office that serves Mendocino County is located in Ukiah.

### **Methods**

The Grand Jury reviewed CDC’s 2006 Annual Report/Budget, inspection reports, housing application forms, utilization reports, CDC Mission Statement and Goals, Minutes of the Commission’s meetings, Housing Choice Voucher Administration Plan, Admissions and Continued Occupancy Policy, HUD and Public Housing Authority (PHA) Laws, Rules and Regulations, Grievance Policy and Baechtel Creek Village Occupancy Regulations. The Grand Jury also interviewed management and staff.

### **Background**

The CDC is a California agency that came into being under the umbrella of HUD. HUD was created during President Lyndon Johnson’s administration to sell the inventory of loans made by the Federal Housing Authority (FHA) so they could recoup the money to make additional loans. In addition, HUD became the Federal government’s investor in housing projects. HUD works with the local housing agencies in State funded projects for the needy.

## **Findings**

1. The Community Development Commission consists of seven members, one appointed member from each Supervisory District and two tenant members. The monthly Commission meetings are held alternately in Ukiah and Fort Bragg during business hours. An annual meeting is held in Willits.
2. The tenant Commissioners have difficulty attending the meetings. They face travel and time constraints.
3. CDC receives Federal funds for HUD supported operations. Rents and administrative fees help pay for maintenance and upkeep of CDC properties.
4. CDC administers three types of housing: property owned by CDC; property owned in affiliation with HUD for Direct Placement families; and privately owned properties for applicants housed under the Voucher/Section 8 program. Direct Placement is in property owned by CDC or owned with HUD and the Voucher system is subsidized by HUD and administered by CDC.
5. The "Shelter Plus Care" program serves people who are homeless, disabled by drug, alcohol abuse or mental illness and following a verifiable maintenance/treatment program.
6. A client's rent is computed on a sliding scale, relative to income and family size.
7. Eligibility for individuals or families is based on income; some assets are permitted.
8. Eligibility for the Senior Program is based on income. Assets, such as stocks and retirement funds, are permitted.
9. In 2007, CDC served (by program):
  - 797 Voucher Program households
  - 105 Shelter Plus Care households
  - 175 Direct Placement households
10. Maintenance and renovation of CDC properties are prioritized and done as the budget allows.
11. CDC inspects all Voucher funded rental properties annually.
12. The CDC has a special program for college students in Ukiah. Eligibility criteria are different from other programs offered by CDC.
13. CDC/HUD owned Public Housing includes:
  - Baechtel Creek in Willits serves low income seniors.
  - Glass Beach Apartments, SeaCliff Apartments and Sanderson Village, all located in Fort Bragg, provide family housing.
  - Brookside Commons and 28 other units throughout the Ukiah area.

14. CDC owned Affordable Housing includes:

- College Court Apartments consists of seven units; Preference given to students.
- Holly Ranch Village in Fort Bragg provides family housing.<sup>1</sup>

15. There are separate waiting lists for the Direct Placement and the Voucher programs. All client applications are placed on a “first on, first served” list. Not all applications are accepted. Approved client applicants for Direct Placement are accepted upon unit availability. Approved client applicants for the Voucher program are accepted both on unit availability and the availability of funding by HUD.

16. Applications from the homeless are accepted immediately in the Shelter Plus Care program.

17. If a person living in CDC housing has any change in income, medical expenses or number of people in the household, they must report it to CDC within 30 days.

18. If a tenant in the Voucher program becomes disqualified, or if the amount of the voucher is reduced, the landlord is promptly notified.

19. Client’s income must be reported annually.

20. If a client is currently receiving any government funding, that income can be verified immediately. Non-government income must also be verified.

21. The Rules and Regulations of Occupancy include Federal, State and local rental ordinances. When the rules differ, the most stringent rule is applied. Two areas where there are differing rules:

- use of controlled substances
- pet policies

22. Violation of rules may result in a warning before other action is taken by CDC.

23. The two most frequent violations that occur are: failure to report income; moving additional people or family members into the home.

24. Evictions may occur from CDC funded housing for any of the following reasons:

- failure to report circumstances that change eligibility
- non-payment of rent
- illegal activity on the premises
- destruction of the property
- nuisance, noise, garbage accumulation, arguments.

25. Eviction procedures, including notice requirements, are regulated by the State. In CDC or CDC/HUD rentals, Federal regulations must also be followed.

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<sup>1</sup> Holly Ranch Village is closed and under reconstruction.

26. In the Voucher system the property owner is responsible for any eviction action.
27. Most CDC tenants vacate before the eviction process ends in court. There are about three CDC evictions a year that go through the entire process and end in court action.

### ***Recommendations***

The Grand Jury recommends that:

1. the CDC use the new Mendocino County microwave system to teleconference meetings simultaneously in Fort Bragg, Ukiah and Willits; (Findings 1 and 2)
2. the Commission hold occasional evening meetings. (Findings 1 and 2)

### ***Comments***

CDC must follow copious Federal mandates.<sup>2</sup> There are various rules for different programs. For example, in the “Shelter Plus Care” program clients must show that they are in a verifiable treatment program including medication, counseling and caseworker visitations.

The CDC struggles with the limitations of Federal funding available for its programs. Maintenance and renovation of the various CDC-owned properties can only be done within the limits of program income. The CDC provides a valuable service to the residents of Mendocino County.

### ***Required Response***

CDC Executive Director (All Findings; All Recommendations)

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<sup>2</sup> See [www.hudclips.org](http://www.hudclips.org)

## The Grand Jury Report Process

The role of the Mendocino County Civil Grand Jury is to oversee and shed light on local and County government. Jurors conduct oversight inquiries and investigate matters of public interest. Any individual can file a complaint with the Grand Jury using forms available online at [www.co.mendocino.ca.us/grandjury](http://www.co.mendocino.ca.us/grandjury).

A Grand Jury inquiry begins when a topic is approved by a minimum of 12 of the 19 seated Jurors. A committee then undertakes extensive research and drafts the report.

Findings are verified against documents and interview notes and are reviewed for accuracy with key individuals in the agency of interest. The draft is then reviewed by an internal Edit committee and must receive approval by the Full Panel. It is then sent to County Counsel and to the Presiding Judge for final review before public release.

## Members of the 2007/2008 Grand Jury

Bob Coppock  
Brad Hunter  
Kathy Johnson  
Nancy Kleiber  
Lois Lockart  
Chas Moser  
George Pacheco  
Lillian Pacini  
Carolyn Pavlovic  
Barbara Reed  
Wendy Roberts  
James Schweig  
Dennis Scoles  
Bill Stambaugh  
Sherry Stambaugh  
Finley Williams

### Partial Year

Thomas Clay, Al Pierce, Brent Rusert, Pamela Shilling, Thelma Thompson



*The cover photo for this report was taken at Point Cabrillo Light Station Historic Park by Donald F. Roberts. This report was produced with the generous assistance of Tony and Maureen Eppstein. Information on Point Cabrillo State Historic Park and the Lighthouse Inn is available at [www.pointcabrillo.org](http://www.pointcabrillo.org)*