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**COMMUNITY DEVELOPMENT  
COMMISSION  
OF MENDOCINO COUNTY**

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**ANNUAL REPORT FOR 2010**

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We would like to express our thanks for the years of dedication to the CDC from Kathy French-Baber. She had to leave us as a Commissioner at the end of 2010 due to illness. She passed away shortly thereafter in 2011. We miss her.



We would also like to thank Chris Warner-Carey. He did a great job as a Commissioner for us and was our Board Chair in 2009 and 2010. He and his family had to move away due to work reassignment. We wish them the best.

## **Community Development Commission of Mendocino County 2010 Year Highlights**

1. CDC employs twenty people who administer over two-dozen complex federal, state, and local programs and projects. Three new people were hired in 2010, filling vacant positions.
2. CDC began working on a transition of public housing to preserve affordability. Chronic underfunding of public housing created an unsustainable situation. Application submitted to HUD January 1, 2009 and process was completed in June of 2010.
3. CDC was awarded by its workers compensation insurance provider for being injury free three years in a row.
4. Section 8 Housing Choice Vouchers, Veterans Assistance Supportive Housing Vouchers and Shelter Plus Care fund rental payments for nearly 900 households in Mendocino County each month. CDC was responsible for more than \$6,000,000 in rental assistance payments throughout the county and its cities in 2010.
5. CDC received total of 50 Veterans Assistance Supportive Housing (VASH) Vouchers, first time Mendocino County has had vouchers specifically for veterans.
6. State Community Development Block Grant (CDBG) funds are being used for City of Ukiah Community Facilities Project with the Ukiah Community Center/Food Bank. The project will rehab the roof, install solar panels and a rainwater catchment system.
7. State Community Development Block Grant (CDBG) funds are being used to fund a County of Mendocino Housing Rehabilitation program.
8. State Community Development Block Grant (CDBG) funds are being used to fund a stimulus funded rehabilitation of three CDC properties in Fort Bragg.
9. Housing Investment Partnerships Program (HOME) funds are being used to fund tenant based rental assistance with the County of Mendocino to assist with affordable rental assistance in our community.
10. Housing Investment Partnerships Program (HOME) funds are being used to fund a first time homebuyer and owner occupied housing rehabilitation program in the City of Ukiah.
11. CDC is cooperating with PG&E to launch the Mendocino County Energy Watch program to assist homeowners, businesses and municipalities identify and fund energy conservation measures.



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## **COMMUNITY DEVELOPMENT COMMISSION OF MENDOCINO COUNTY**

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### **MISSION**

Provide opportunities for decent, safe, affordable housing and suitable living environment to low-and moderate-income, special needs households, and communities in an effective, efficient, and respectful manner.

### **GOALS**

1. Maintain and improve the Community Development Commission's inventory of dwelling units and programs in a manner, which is fiscally responsible, provides a positive living environment for residents and an asset to the community.
2. Foster successful tenancy by encouraging tenant and landlord responsibility, and by identifying and making appropriate referrals to community support services, and facilitating transition to private housing when appropriate.
3. Maintain and enhance human resources and management capabilities through staff development and training, and provide the means for staff participation in management decisions.
4. Evaluate operations to determine optimal operating systems such as management, planning, and program delivery.
5. Identify, evaluate, and seek viable funds for housing and community development programs that are within Community Development Commission guidelines and capabilities.
6. Establish and maintain effective working relationships with the federal, state, and local government agencies, other public and private organizations.
7. Develop an effective information program to educate the public regarding lower-income housing and community development needs and programs.
8. Build customer-focused relationships based on trust, understanding, integrity and harmony among our customers, residents, and employees.
9. Increase and preserve affordable housing units for low-and moderate-income households.

## **A MESSAGE FROM THE CHAIR AND EXECUTIVE DIRECTOR**

As we begin our 36<sup>th</sup> year of operation, the challenge to provide affordable housing for Mendocino County residents continues to grow. Our economy is struggling and more and more households in our community are finding it difficult to meet their housing costs, making affordable housing a growing issue for Mendocino County. With infrastructure limitations, the lack of much new development has resulted in a tight rental market in most areas in Mendocino County. We have seen unprecedented increases in foreclosures locally and nationally. HUD is responding to funding cuts and inquiries from Congress by increasing reporting and compliance thresholds while decreasing overall funding. This has created a difficult environment in which to operate.

The federal budget debate has put HUD on the defensive. They have tried to increase compliance while having seen a 50% cut in staffing in the last 5 years. Also, they are continuing the trend to try to divest themselves of public housing and the capital investments that are necessary with that continued commitment. Seeing the trend in divestment in public housing, the CDC began a process to convert its public housing to voucher based housing. This process was completed in June of 2010. It moved the housing to program that has been consistently been funded better than public housing while keeping the housing affordable. Prior to the transition, the public housing department had a chronic operating loss even with minimal costs and staffing. Since the transition, the department has been able to operate without a loss and make needed improvements on the sites. The change in revenue has also meant no layoffs or furloughs for the agency.

For the Housing Choice Voucher Program (previously known as Section 8), voucher funds are consistently in high demand, both locally and nationally. The demand is far greater than the supply which has meant the waiting list has been closed for a while and is projected to remain closed for the foreseeable future. Funding cuts in the state budget has resulted in increased housing assistance payments for those already receiving assistance. HUD calculations are that with the block received, 900 households should be able to receive rental assistance in Mendocino County. Last year, it was closer to approximately 720. This year will be closer to approximately 690.

Housing Programs also administers the Shelter Plus Care program, which helps to move people out of homelessness. We have also started a Veterans Assistance Supportive Housing program in cooperation with Veterans Affairs. They work to qualify veterans for housing and we administer the program to provide the housing



assistance. Finally, the department implemented a Tenant Based Rental Assistance Program. This program provides rental assistance for up to two years and helps the many needing assistance that the limited funds of the other programs cannot help. This program was funded by a Community Development Block Grant (CDBG) that was applied for by the County of Mendocino and written and administered by the Community Development Department of the CDC.

The Community Development Department has been working to improve opportunities for our county. The department has traditionally worked with the California Department of Housing and Community Development (HCD) and administered Community Development Block Grant (CDBG) and other housing and community related grant funded programs and projects for the county. This year, they worked with the City of Fort Bragg on a CDBG funded rehabilitation project for CDC properties and the City of Ukiah on a roof repair/solar upgrade and rain catchment system for the Ukiah Community Center/Food Bank. Also, department has started working on economic development activities with the City of Ukiah and downpayment assistance and housing programs with the City of Ukiah and the County of Mendocino. The department has expanded its activities and is working with PG&E on a Mendocino County Energy Watch program to assist homeowners, businesses and municipalities with energy conserving measures.

Despite these challenges, CDC continues to bring together resources, experience, creative thinking, and strong partnerships in an effort to provide affordable housing and to improve services to our constituents.

More information on our programs and projects follows.



*California Housing Workers' Compensation Authority*

THREE-YEARS INJURY FREE AWARD

Mendocino County Housing Authority

*In Recognition of this Member's  
Excellent Safety Performance*

*Dave Beal*

Dave Beal  
Risk Control Manager



California Housing  
Workers' Compensation  
Authority

*April 22, 2011*

Date



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## **COMMUNITY DEVELOPMENT COMMISSION OF MENDOCINO COUNTY**

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The Housing Choice Voucher program (formerly called Section 8) administers approximately 700 vouchers with a budget of \$ 5.2 Million for both Housing Assistance Payments and Administrative Fee. CDC's second rental assistance program is the Shelter Plus Care program that provides assistance to homeless disabled persons. The program currently has 160 clients receiving rental assistance. The program provides \$ 1.3 Million in rental assistance and administrative fees. The program receives in-kind support from case managers at various local agencies such as Ford Street Project/Ukiah Community Center, Hospitality Resource Center, Mental Health and the Alcohol and Drug Program (AODP).

CDC has been accepting applications only from applicants whose Head of Household is a Veteran or who is a surviving spouse of a Veteran applicants. The list is open for those with a preference for Family Unification. These applicants qualify under one of the following criteria: 1) Children cannot be returned from Courts until the family has suitable housing, 2) Children will be removed from family if adequate or suitable housing is not obtained, or 3) Transitional Youth defined as youth aged 18 years to 22 years who are former Foster Care Youth. We have 25 slots per year available for the Family Unification preference. CDC allowed up to 50 slots for the Family Unification Vouchers. However, we only housed approximately 25 families due to funding reductions.

The waiting list currently has approximately 280 applicant families waiting for assistance.

In 2010, CDC was awarded 25 Veterans Affairs Supportive Housing (VASH) Vouchers. These Vouchers are for Veterans who are enrolled and receiving services from the VA clinic. The Ukiah VA office experienced some staffing problems with hiring case managers. The Lead Case Manager from the Santa Rosa office provided some help with case management tasks for the past year. The case managers have been hired by April 2011. Due to the efforts of the Lead Case Manager we were able to lease up approximately 20 Veterans in 2010. We



are anticipating having all 60 Vouchers under contract with landlords before the end of 2011.

CDC received an additional 139 units as replacement rental assistance for the Public Housing units that HUD approved for moving to a different form of rental assistance. The additional Vouchers provide approximately \$880,000 in additional Housing Assistance Payments (HAP) rent.

The County of Mendocino was awarded \$800,000 from the California State Housing Development Department (HCD) to provide rental assistance to families in Mendocino County. As of December 2010 there were 95 families receiving assistance. The grant ends December 31, 2011.

### Income Limits

<b>Number of People in household</b>	<b><i>Extremely Low Income 30% of MFI *</i></b>	<b><i>Very Low Income 50% of MFI *</i></b>	<b><i>Low Income 80% of MFI *</i></b>
<b>1</b>	<b>\$ 11,900</b>	<b>\$ 19,800</b>	<b>\$ 31,650</b>
<b>2</b>	<b>\$ 13,600</b>	<b>\$ 22,600</b>	<b>\$ 36,200</b>
<b>3</b>	<b>\$ 15,300</b>	<b>\$ 25,450</b>	<b>\$ 40,700</b>
<b>4</b>	<b>\$ 16,950</b>	<b>\$ 28,250</b>	<b>\$ 45,200</b>
<b>5</b>	<b>\$ 18,350</b>	<b>\$ 30,550</b>	<b>\$ 48,850</b>
<b>6</b>	<b>\$ 19,700</b>	<b>\$ 32,800</b>	<b>\$ 52,450</b>
<b>7</b>	<b>\$ 21,050</b>	<b>\$ 35,050</b>	<b>\$ 56,050</b>
<b>8+</b>	<b>\$ 22,400</b>	<b>\$ 37,000</b>	<b>\$ 59,700</b>

\* Effective  
5/14/10

MFI: Median Family Income



Baechtel Creek Village in Willits





Ukiah 30 unit Interior

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## **COMMUNITY DEVELOPMENT COMMISSION OF MENDOCINO COUNTY**

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### **Agency Owned and Managed Housing (Formerly Public Housing)**

The Public Housing Program was established by the Housing Act of 1937, to provide decent, affordable rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing was seen as a program to create viable jobs and stimulate construction, not a social welfare program.

CDC had 139 public housing units throughout the county. This includes 60 elderly units in Willits, 43 family units in Fort Bragg, and 36 family units in Ukiah.

For the past several years, the public housing program had been operating at a deficit, sometimes as high as \$167,000 per fiscal year, excluding depreciation. CDC utilized reserves to meet the need of operating this program annually; however these reserves were depleted. The combination of operating subsidy (HUD's contribution), tenant rents, and capital fund (HUD's capital improvement fund for public housing) was not been sufficient to meet the operating expenses of the program or the capital improvement needs of the units.

Public Housing Authorities have the option to request to withdraw from the Public Housing Program, via a process called a disposition application. This is a process where housing authorities develop a plan to make the properties they operate as affordable housing become self sufficient, while still maintaining their affordability.

After much analysis, CDC chose to submit such an application to HUD for disposition of its Public Housing stock. This plan included an application for 139 replacement vouchers to maintain affordability of these rental units within Mendocino County. This application was submitted to HUD's special applications center on 12/31/08, which was approved on 10/9/2009. The units were "disposed of" by selling them to CDC's nonprofit, Building Better Neighborhoods, Inc. (BBN). An application for replacement Housing Choice Vouchers was submitted to HUD on October 31, 2009, and approved in December 2009, fulfilling CDC's goal is to keep these units affordable and maintain this much needed housing stock for the community. By utilizing these replacement vouchers as project based vouchers, a market rent can be charged, thus the developments will not be operating at a loss as they have been for the past several years. CDC no longer operates classic Public Housing. Instead, CDC has maintained the previous public housing units as affordable by attaching project based vouchers to those units.



## Capital Fund

The Capital Fund provided funds, annually, to Public Housing Agencies for the development, financing, and modernization of public housing developments and for management improvements. In 20010, CDC declined the allocated capital funds. This was required, as CDC has no more public housing, which is what the funding is for.

The following is a list of capital funding received by CDC since 2000:

Year	Funding Received
2000	\$315,952
2001	\$322,092
2002	\$233,451
2003	\$248,509
2004	\$287,797
2005	\$229,391
2006	\$220,570
2007	\$222,374
2008	\$228,843
2009	\$219,857
2009 American Recovery and Reinvestment Act funds (ARRA)	\$289,670

The most recent award of the ARRA Capital Grant was utilized for relocation for any household that was required to move during the transfer of title from CDC to BBN for the disposition. All funds were not needed for this activity, so HUD will be recapturing the balance. CDC will no longer receive Capital Fund grants, as CDC no longer operates Public Housing.

## Agency Owned Housing

CDC owns two properties, Roy Lee Tindle Jr. College Court Apartments in Ukiah and Holly Ranch Village Apartments north of Fort Bragg. Roy Lee Tindle Jr. College Court Apartments is a seven unit development that has a preference for students from Mendocino College. Holly Ranch Village Apartments is twenty eight units, with only the ten unit apartment building being habitable at this time. The remaining units are slated for reconstruction which has been delayed by the housing market credit crisis and operating loss in the housing assets department. The operating loss has been solved with the public housing transformation and credit market is slowly moving away from being in crisis so hope to be able to move forward on the needed reconstruction.

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## COMMUNITY DEVELOPMENT COMMISSION OF MENDOCINO COUNTY

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### AGENCY MANAGED HOUSING

Glass Beach Apartments  
Fort Bragg, California  
15 Units of Family Housing  
Completed 1998

Brookside Commons  
Ukiah, California  
13 Units of Family Housing  
Completed 3/98

Sanderson Way Village  
Fort Bragg, California  
9 Units of Family Housing  
Completed 4/93

SeaCliff Apartments  
Fort Bragg, California  
19 Units of Family Housing  
Completed 4/93

Baechtel Creek Village  
Willits, California  
60 Units of Housing for the Elderly  
Completed 1983

Ukiah  
Ukiah, California  
23 Units of Scattered Site family Housing

### AGENCY OWNED HOUSING

Roy Lee Tindle, Jr. College Court Apartments  
Ukiah, California  
7 Units of Student Housing  
Completed 3/99

Holly Ranch Village  
Fort Bragg, California (unincorporated)  
28 Units of family Housing





Glass Beach Apartments in Fort Bragg before Rehabilitation



Glass Beach Apartments in Fort Bragg during Rehabilitation





Glass Beach Apartments in Fort Bragg after Rehabilitation

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## **COMMUNITY DEVELOPMENT COMMISSION OF MENDOCINO COUNTY**

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### **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM**

#### **CDBG Program Development**

One of the functions of the Community Development Commission of Mendocino County is to administer the General Allocation of the State CDBG program for the County of Mendocino, City of Ukiah, and other Mendocino County jurisdictions. One of the main objectives of the CDBG program is to provide safe and decent housing and a suitable living environment by expanding economic opportunities, principally for persons of low and moderate income. "Persons of low and moderate income" or the "targeted income group" (TIG) are defined as families, households, and individuals whose incomes do not exceed 80 percent of the county median income, with adjustments for family or household size.

Analyzing and determining the need for housing and community development activities is necessary to prepare a competitive application. Proposals are generally received: (1) as requests for assistance during the preceding year; and (2) as public input at community meetings. In addition, CDC staff develops proposals in accordance with Housing Element policy. The Board of Supervisors and City Councils must hold a public hearing before authorizing submittal of a CDBG application to the State Department of Housing and Community Development.

In 2010 CDC worked with the City of Ukiah to develop the Revitalizing Business Investment and Lending Development (ReBILD) program, a small business assistance loan program for Ukiah businesses. ReBILD will initially be funded with CDBG Program Income and is anticipated to provide up to two loans and lead to the creation and/or retention of at least three full-time jobs. CDC looks forward to expanding the ReBILD program with additional CDBG funding in 2011.



## **CDBG Programs**

The CDBG program has funded a wide variety of housing and community development activities benefitting the targeted income group throughout Mendocino County.

Current programs and program accomplishments include the following:

- ❖ 2008/2009 General Allocation, County of Mendocino Housing Rehabilitation Program, \$450,000.

CDC has been administering Housing Rehabilitation programs for the County of Mendocino since the late 1970s. The Housing Rehabilitation programs provide low-income homeowners and owners of low-income rental units below market interest loans to make needed repairs to their homes/units. Over the last 35 years, CDC has made nearly 100 housing rehabilitation loans. Loan repayments received are re-loaned out for other County housing rehabilitation projects.

One of five recommendations in the *2003 Housing Conditions Survey* was that the County focus on a strong owner-occupied housing rehabilitation program (Housing Element, 2-33). Due to this and the well-documented age of existing housing stock in Mendocino County, CDC on behalf of the County applied for \$450,000 and was awarded funds in 2008.

To date, the 2008/2009 Housing Rehabilitation program has funded five below market interest rate loans to low-income homeowners. Three of these loans were provided to low-income homeowners to complete repairs necessary for making their homes safe and sanitary. Repairs included roof and windows replacements and interior and exterior repairs and utilized green building materials and energy efficiency upgrades wherever possible. The other two loans were made to low-income homeowners for replacement of their pre-1976 mobile homes (because there were no manufacturing standards for mobile homes built before 1976 these homes pose a severe risk to health and safety).

- ❖ 2008/2009 Planning and Technical Assistance Allocation, County of Mendocino Grant Preparation Program, \$35,000.

This program provides funding for the preparation of applications for activities benefitting the targeted income group. Through utilization of this grant CDC prepared applications that resulted in over \$1.5 million in new funding for

Mendocino County. Awarded applications included a \$600,000 2010 CDBG General Allocation application for Owner-Occupied and Multi-Family Housing Rehabilitation and First Time Homebuyer assistance programs.

- ❖ 2009/2010 General Allocation, City of Ukiah Public Facility Rehabilitation Project for Ukiah Community Center & Food Bank, \$400,000.

One of the first public facility projects funded by State CDBG that utilizes sustainable and green design elements, the grant will be used to rehabilitate the Ukiah Community Center & Food Bank's roof, install photovoltaic panels and a rainwater catchment system, and improve energy efficiency of the facility. Installation of photovoltaic panels is estimated to save approximately \$10,000 in energy costs per year. Installation of the rainwater catchment system will reduce water consumption by capturing, filtering and storing 10,000 gallons of rainwater and distributing the water by irrigation system to the Food Bank's community gardens. The project is anticipated to start in Spring 2011.

- ❖ 2009/2010 CDBG Recovery (Stimulus) Allocation, City of Fort Bragg Housing Rehabilitation Project for Three CDC Coastal Developments, \$813,917.

In 2009, CDC collaborated with City of Fort Bragg staff to prepare a 2009/2010 CDBG Recovery Allocation application to rehabilitate CDC's three affordable housing rental developments in Fort Bragg: Seacliff, Sanderson Way, and Glass Beach. Total grant award was \$813,917.

In summer 2010, CDC began implementation of the rehabilitation project. Rehabilitation work is being completed by a local contractor and implemented by CDC staff. Work primarily consists of interior and exterior repairs, new paint, new roofing, and new windows.

### **CDBG Loan Portfolio**

CDC currently monitors and services over \$1 million in CDBG housing rehabilitation and first time homebuyer loans for the County of Mendocino. As loans are repaid, loan proceeds are utilized to make new loans for housing rehabilitation projects and first time homebuyers.



## **HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM**

### **HOME Program Development**

The Community Development Commission of Mendocino County administers the HOME program for the County of Mendocino and City of Ukiah. HOME funds, designed to create or retain affordable housing, can be used to finance eligible housing activities for low-income households. The first HOME grant for the County of Mendocino administered by the CDC was a 1997 grant that created the County of Mendocino Downpayment Assistance Program, now known as the First Time Homebuyer (FTHB) Program.

Current HOME grants CDC is administering for the County of Mendocino include:

- ❖ 2005/2006 for Lakewood Homes Self-Help homeownership project with Rural Communities Housing Development Corporation (RCHDC), \$568,000.

This HOME grant funds construction loans to homebuyers. Working with RCHDC, homebuyers build the homes they will eventually live in. 13 lots have been purchased and are being constructed by the homebuyers.

- ❖ 2008/2009 for Tenant Based Rental Assistance (TBRA), \$800,000.

The TBRA program provides rental assistance payments to low-income tenants. After resolving some programmatic issues with State HOME staff CDC ramped up implementation efforts, and currently 95 households are receiving rental assistance through the TBRA program. CDC looks forward to applying for additional funding in 2011 to continue this successful program.

Current HOME grants CDC is administering for City of Ukiah include:

- ❖ 2008/2009 for \$800,000 for First Time Homebuyer Program (FTHB) and Owner-Occupied Rehabilitation Program (OOR)

This HOME grant provides funding in the form of deferred payment below market interest rate loans for first time homebuyers purchasing their first homes and existing homeowners looking to make improvements to their homes to correct identified health and safety deficiencies. The FTHB program is similar to the first funded HOME DAP. The OOR program is new for the City of Ukiah and

encourages the use of green building practices and energy efficiency. Homes purchased or improved must be located in the incorporated area of City of Ukiah.

To date, four FTHB loans and two OOR loans have been made.

### **HOME Loan Portfolio**

CDC currently monitors and services over \$750,000 in HOME first time homebuyer loans for the County of Mendocino. Repaid loan proceeds are utilized for other first time homebuyer loans or HOME eligible activities. There have been zero foreclosures during CDC's nearly 15-year administration of HOME loan programs.





Before and after interior for Housing Rehabilitation Project





Before and after exterior for Housing Rehabilitation Project



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## **COMMUNITY DEVELOPMENT COMMISSION OF MENDOCINO COUNTY**

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### **ENERGY EFFICIENCY PROGRAMS**

The Community Development Commission of Mendocino County continues to pursue a variety of energy efficiency and conservation programs to reduce greenhouse gas emissions and the county's carbon footprint and lower monthly utility bills for low- and moderate-income residents.

CDC is also actively developing new strategies and systems for encouraging energy efficiency in housing authorities. We look forward to applying for funding through the PG&E Innovator Pilot Program in 2011 to implement these ideas.

### **Mendocino County Energy Watch**

In 2008, the Community Development Commission of Mendocino County partnered with Pacific Gas and Electric Company (PG&E) to create the Mendocino County Energy Watch (MCEW). MCEW offers a portfolio of energy efficiency solutions and education for non-residential PG&E customers in Mendocino County, including local government agencies, special districts, small businesses and non-profit agencies. Services offered through the MCEW partnership include energy efficiency audits and advice, energy consumption benchmarking and training, informative seminars, and direct install energy efficiency lighting. In collaboration with PG&E, MCEW also offers a variety of educational opportunities for contractors, building and planning professionals, and interested members of the public. The MCEW program is funded by California utility customers and administered by Pacific Gas and Electric Company, under the auspices of the California Public Utilities Commission. Funding for the 2009-2011 MCEW program cycle is \$500,000.

MCEW is also expected to produce energy savings of 1,310,000 annual kilowatt hours (kWh) and 192 gross kilowatts (KW) of electricity and reduce natural gas consumption by 4,700 therms. CDC has made progress towards these goals, and to date has delivered savings of 129,511 kWh, 21 KW, and a reduction of 966 therms. These energy savings have a direct effect on reduction of greenhouse gas emissions and lowering the county's carbon footprint. Savings

of 129,511 kWh, for example, reduce greenhouse gas emissions by 89.3 metric tons annually.

The newly revised MCEW website is: [www.mendoenergy.org](http://www.mendoenergy.org)

### **Low Income Energy Efficiency Program**

In December 2010, CDC began implementation of the PG&E Low Income Energy Efficiency (LIEE) program through its agreement with Richard Heath & Associates (RHA). Funded by PG&E and administered by RHA, the LIEE program provides approximately \$550,000 for installation of select energy efficiency measures for up to 800 low-income residents in Mendocino County. Energy efficiency measures are “free” to low-income residents and installed by CDC field staff. To date, CDC has completed five installations to low-income households; we look forward to assisting more low-income residents in 2011.

### **Moderate Income Direct Installation Program**

In 2010, CDC became one of only nine agencies selected in California to administer a Moderate Income Direct Installation (MIDI) Program. CDC also was the only housing authority in California implementing both LIEE and MIDI. A PG&E pilot program offered as a complement to the Low Income Energy Efficiency Program, MIDI will provide up to \$150,000 for direct installation of energy efficiency measures for moderate-income residents in Mendocino County. MIDI will be launched in early 2011.

### **Energy Efficiency Revolving Loan Fund**

In 2010, CDC received a grant from PG&E to assist local government agencies and/or nonprofit organizations with energy efficiency retrofits. The grant will be utilized for capitalization of a new Energy Efficiency Revolving Loan Fund. CDC plans to design program guidelines and begin making loans in 2011.





Community Development and Mendocino County Energy Watch Team



Keith Hoyt, CDC Housing Rehabilitation and Energy Specialist, doing work as part of PG&E Low Income Energy Savings Assistance Program.

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## **COMMUNITY DEVELOPMENT COMMISSION OF MENDOCINO COUNTY**

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### **FISCAL REPORT**

The Community Development Commission of Mendocino County has as its mission to provide low cost housing to the citizens of Mendocino County. The Agency has provided these services for over 30 years. Over the previous years, the Agency had experienced chronic underfunding by HUD, during which time we have managed to stay financially healthy. However, it is an increasingly difficult task to continue financial stability under these perpetual underfunding conditions.

The chronic underfunding had been most severe and problematic in public housing. This resulted in an ongoing operating loss that needed to be fixed. In December of 2008, CDC applied to HUD to transition from Public Housing to Project Based Vouchers. The final approval was given effective in June 2010. This change effectively removes the chronic underfunding position of this segment of the Agency puts the former Public Housing component on a positive cash flow basis. This has allowed CDC to have positive operating positions for all departments and the agency as a whole. It has also allowed for CDC to make improvements to its properties.



**COMMUNITY DEVELOPMENT COMMISSION OF MENDOCINO COUNTY**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET ASSETS -**  
**PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Enterprise Fund</u> <u>Housing Fund</u>	<u>Component</u> <u>Unit</u>	<u>Combined</u> <u>Totals</u>
<u>Operating Revenues</u>			
Grants	\$ 8,477,457	\$ -	\$ 8,477,457
Rents	435,085	386,420	821,505
Other	<u>456,842</u>	<u>-</u>	<u>456,842</u>
Total operating revenues	<u>9,369,384</u>	<u>386,420</u>	<u>9,755,804</u>
<u>Operating Expenses</u>			
Administration	1,690,097	274,474	1,964,571
Utilities	103,903	-	103,903
Maintenance	597,766	-	597,766
Tenant services	113,368	-	113,368
General	103,797	-	103,797
Housing assistance payments	6,058,218	-	6,058,218
Depreciation and amortization	<u>556,829</u>	<u>168,856</u>	<u>725,685</u>
Total operating expenses	<u>9,223,978</u>	<u>443,330</u>	<u>9,667,308</u>
Operating income (loss)	<u>145,406</u>	<u>(56,910)</u>	<u>88,496</u>
<u>Non-operating Revenues (Expenses)</u>			
Grants	3,200	-	3,200
Investment income	10,878	-	10,878
Interest expense	(12,847)	-	(12,847)
Gain (loss) on sale of fixed assets (Note 5)	(10,149,017)	-	(10,149,017)
Donation of fixed assets (Note 5)	<u>-</u>	<u>16,415,000</u>	<u>16,415,000</u>
Total non-operating revenue (expenses)	<u>(10,147,786)</u>	<u>16,415,000</u>	<u>6,267,214</u>
Change in net assets	(10,002,380)	16,358,090	6,355,710
Total net assets, beginning	<u>14,693,121</u>	<u>-</u>	<u>14,693,121</u>
Total net assets, ending	<u>\$ 4,690,741</u>	<u>\$ 16,358,090</u>	<u>\$ 21,048,831</u>



Seacliff Apartments in Fort Bragg