



TOWN OF APPLE VALLEY TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** April 30, 2013

From: Christopher Moore, Housing and **Item No:** 10
Community Development Specialist
Community Development Department

Subject: FINAL PUBLIC HEARING - CONSOLIDATED PLAN SECOND-YEAR
ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG) AND THE HOME INVESTMENT PARTNERSHIPS
(HOME) PROGRAMS FOR FISCAL YEAR 2013-2014.

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

1. Open public hearing.
2. Close public hearing.
3. That the Town Council approve the Community Development Citizen Advisory Committee recommendations for funding proposed projects under the 2013-2014 CDBG and HOME programs as part of the Town's Second-Year Action Plan, which is an integral component of the Consolidated Plan; approve the draft Action Plan and authorize the Town Manager to execute all necessary HUD documents on behalf of the Town.

SUMMARY:

The purpose of this public hearing is to receive final comments on the proposed 2013-2014 Community Development Block Grant Program and the Home Investment Partnerships Program.

The draft Second-Year Action Plan has been developed for Fiscal Year 2013-2014. The purpose of this public hearing is to solicit public comment from interested citizens, public agencies, and other interested parties, regarding the proposed use of federal funds in the preparation of the Town's Consolidated Plan – Second-Year Action Plan. Once the Town Council takes action, the Plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) for final approval.

The Town of Apple Valley participates in a consortium with the City of Victorville in order to meet the threshold of obtaining Home Investment Partnerships Program (HOME) entitlement status with the U.S. Department of Housing and Urban Development (HUD). The successful formation of the consortium has resulted in an annual allocation of HOME funds to both communities. The consortium identifies the Town of Apple Valley as the lead agency and the City of Victorville as a participating jurisdiction.

CONSOLIDATED PLAN SUMMARY - The Consolidated Plan is a comprehensive five-year strategy (2012-2016) that addresses the use of Federal grant/entitlement funds for the purpose of meeting the goals of providing decent housing, a suitable living environment, and expanded economic opportunities, principally for low- and moderate-income persons.

The Consolidated Plan combines the application and reporting requirements for five Federal formula grant programs. It replaced the Comprehensive Housing Affordability Strategy (CHAS) and consolidated the applications for the Community Development Block Grant (CDBG), Home Investment Partnerships Act (HOME), Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and, most recently, the Neighborhood Stabilization Program (NSP).

The Consolidated Plan is composed of three parts: 1). The first section of the Consolidated Plan evaluates the Housing and Community Development needs of the Consortium. This includes an assessment of housing needs for extremely low, very low, and low- and moderate-income families, including the needs of homeless individuals and families. 2). Based on this information, a five-year strategic plan was developed which includes priorities for assisting categories of residents by income level, objective statements, proposed programs, as well as accomplishments that are expected to be achieved in the next five years; 3). The annual Action Plan provides a one-year investment plan, which outlines the intended use of resources, descriptions of activities to be undertaken, and the specific objectives and priority needs to be addressed.

FEDERAL GRANT PROGRAM DESCRIPTIONS

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

The Federal Housing and Community Development Act of 1974, as amended, provides Federal Community Development Block Grant funds for projects that promote the development of viable, urban communities by providing decent housing and suitable living environments and expanded economic activities, principally for persons of low- and moderate-income.

CDBG ANNUAL PROJECT FUNDING

The public notice, as required by HUD, appeared in the Apple Valley News on March 22, 2013. As a final allocation from HUD for the CDBG program had not been received by that date, funding amounts as indicated in this Council report are based on estimates provided by HUD officials and represent an estimated 5% cut in CDBG funds.

The Town expects to receive an allocation of approximately \$551,000 in CDBG grant funds for the period beginning July 1, 2013 and ending June 30, 2014. One project, CDBG 2011-2012 James Woody Park Security Project (\$125,000) is being cancelled at this time and the funds are to be reprogrammed into the 2013-2014 James Woody Park Picnic Structure project. In addition, a carry-over balance from prior fiscal years of \$56,668 will be reprogrammed for the 2013-2014 program year. The estimated available CDBG funds for 2013-2014 is \$732,668.

Proposed Projects: The Town received a total of 24 CDBG applications this year. The Community Development Citizen Advisory Committee met to review the proposal applications and make recommendations for funding. A summary of the Committee's recommendations for the 2013-2014 CDBG program is provided below. Proposed projects administered directly by the Town will include Microenterprise Business Assistance Program, Rehabilitation Administration 14H, Manufactured Home Repair Program, Residential Rehabilitation Loan Program, James Woody Picnic Structures, CDBG Program Administration, Apple Valley Golf Course-Accessibility Improvements and Apple Valley Bus Stops- Accessibility Improvements.

The Town's Community Development Citizen's Advisory Committee (CDCAC) voted (1) To recommend approval of the following projects for fiscal year 2013-2014 for incorporation into the draft 2013-2014 Second-Year Action Plan; (2) The CDCAC recommends approval of all Town administered projects and HOME activities. (3) Since the amount of the 2013-2014 HUD allocation was unknown when the CDCAC met, the Committee decided that any increase/reduction in CDBG funds from these anticipated amounts will be reflected as follows: Public Service allocations (15%) will be increased/decreased proportionately except for Fair Housing Services which will remain the same; the Town administered projects will be adjusted by a lower/higher allocation to the Rehabilitation Administration 14H program after Administration is adjusted to (20%) of allocation.

Public service projects comprise 15% (\$86,250) of the proposed Second-Year allocation, the maximum amount allowable pursuant to CDBG regulations. A total of eight (8) public service projects are recommended for funding.

Proposed Projects/Proposed CDBG projects for 2013-2014 are outlined below:

CDBG Funding Recommendations	
Public Service Projects	
Apple Valley Police Activities League	10,000
Victor Valley Community Services Council	10,000
High Desert Homeless Services – Homeless Shelter Program	14,650
San Bernardino County Library – Literacy Program	5,000
Assistance League of Victor Valley – Operation School Bell	14,000
Inland Fair Housing & Mediation Board- Fair Housing Services	13,000
Feed My Sheep Ministries	11,000
The Church for Whosoever	5,000
Total Available for Public Service Requests	\$86,250
Town Administered Projects	
Microenterprise Business Assistance Program	20,000
Rehabilitation Administration 14H	85,000
Manufactured Home Repair Program	120,000
Residential Rehabilitation Loan Program	120,000
James Woody Park Picnic Structures	150,000
CDBG Program Administration	110,200
Apple Valley Golf Course- accessibility improvements	25,000
Apple Valley Bus Stops- accessibility improvements	19,818
Total In-house funding Recommendations	650,018
Total Public Service Recommendations	86,250
Total CDBG Funding Recommendations for FY 2013-2014	732,688

Benefit: At least 70 percent of the total funds received each year must be involved in activities that benefit low- and moderate-income persons. The Town expects to spend a minimum of 70 percent of its funds to benefit low- and moderate-income individuals during the 2013-2014 program year.

Past Use of Funds: Information on the current First-Year Consolidated Plan and the Town's past use of funds for the CDBG program may be reviewed at the Town of Apple Valley Community Development Department web page at the Town's Website www.applevalley.org.

Displacement: No local public action is currently contemplated which would result in the displacement of low- and moderate-income households. If displacement occurs, the Town and/or the Consortium will implement and fully comply with State and Federal relocation and acquisition statutes.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

The HOME program is authorized under Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended. HOME funds may be used to develop and support affordable rental housing and homeownership affordability through acquisition (including assistance to home buyers), new construction, reconstruction or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations; to provide tenant-based rental assistance, including security deposits; to provide payment of reasonable administrative and planning costs; and, to provide for the payment of operating expenses of Community Housing Development Organizations (CHDOs).

HOME CONSORTIUM FUNDING

The HOME Consortium, consisting of the jurisdictions of Apple Valley and Victorville, anticipates receiving a total allocation of \$487,908 for the period beginning July 1, 2013 and ending June 30, 2014. Of that amount, Apple Valley estimates receiving \$204,702; and Victorville estimates receiving \$283,206. The public notice, as required by HUD, appeared in the Apple Valley News on March 22, 2013. As a final allocation from HUD for the HOME program had not been received by that date, funding amounts as indicated in this Council report are based on estimates provided by HUD officials and represent an estimated 5% cut in HOME funds. Any increase/decrease for Town projects will be reflected in the Residential Rehabilitation Loan Program (RRLP) after Administration and CHDO are adjusted to reflect allotted percentages of allocation. Victorville will determine changes for their programs.

Apple Valley Proposed Funding: The Town expects to allocate \$204,702 in HOME grant funds for FY 2013-2014 for the period beginning July 1, 2013 and ending June 30, 2014.

Proposed Apple Valley Projects: Proposed HOME projects for 2013-2014 are outlined below:

Residential Rehabilitation Loan Program (RRLP)	142,347
Program Administration	33,885
Community Housing Development Organization (CHDO)	28,470
Total	<u>\$204,702</u>

Proposed Victorville Projects: Proposed HOME projects for 2013-2014 are outlined below:

HOME Administration	14,905
Senior Home Repair Program	95,000
Mortgage Assistance Program	33,584
Owner Occupied Rehabilitation	95,000
CHDO	44,717
Total	<u>\$283,206</u>

A copy of the draft Consolidated Plan – Second-Year Action Plan for 2013-2014 is available for review at the Town’s website: www.applevalley.org.

Based upon the foregoing, staff recommends, subsequent to the closure of the public hearing, approval and adoption of the recommendations submitted by the Community Development Citizen’s Advisory Committee as outlined above. Staff further recommends the approval and adoption of the 2013-2014 Second Year Action Plan for Apple Valley and Victorville.

FISCAL IMPACT:

None