



# TOWN OF APPLE VALLEY

## TOWN COUNCIL STAFF REPORT

---

**To:** Honorable Mayor and Town Council                      **Date:** April 22, 2014

**From:** Christopher Moore, Housing and                      **Item No:** 4  
Community Development Specialist  
Community Development Department

**Subject:** PUBLIC HEARING #2 - CONSOLIDATED PLAN THIRD-YEAR ACTION PLAN FOR  
THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND THE HOME  
INVESTMENT PARTNERSHIPS (HOME) PROGRAMS FOR FISCAL YEAR 2014-  
2015.

**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 2014-2015 CDBG and HOME programs as part of the Town's Third-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 2014-2015 Community Development Block Grant Program and the Home Investment Partnerships Program.

The draft Third-Year Action Plan has been developed for Fiscal Year 2014-2015. 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 – Third-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 14, 2014. As a final allocation from HUD for the CDBG program had not been received by that date, funding amounts as indicated in the 3/25/14 Council report and 3/14/14 Public Notice are based on estimates provided by HUD officials and represent an amount equal to the 2013-2014 allocation.

The 2014-2015 allocations for CDBG and HOME have since been announced and are incorporated into this report and the proposed 2014-2015 Third Year Action Plan.

The Town will receive an allocation of \$531,056 in CDBG grant funds for the period beginning July 1, 2014 and ending June 30, 2015. A carry-over balance from prior fiscal years of \$19,971 will be reprogrammed for the 2014-2015 program year into CDBG Rehabilitation Administration 14H. The available CDBG funding for 2014-2015 is \$551,027.

**Proposed Projects:** The Town considered a total of 26 CDBG eligible projects/programs this year. The Community Development Citizen Advisory Committee met to review the proposals and make recommendations for funding. A summary of the Committee's recommendations for the 2014-2015 CDBG program is provided below. Proposed projects administered directly by the Town will include Apple Valley Police Activities League- Youth Center Facility Improvements, Microenterprise Business Assistance Program, Rehabilitation Administration 14H, Manufactured Home Repair Program, Residential Rehabilitation Loan Program, CDBG Program Administration 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 2014-2015 for incorporation into the draft 2014-2015 Third-Year Action Plan; (2) The CDCAC recommends approval of all Town administered projects and HOME activities. (3) Since the amount of the 2014-2015 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 for recommended public service projects; 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% (\$79,658) of the proposed Third-Year allocation, the maximum amount allowable pursuant to CDBG regulations. A total of ten (10) public service projects are recommended for funding.

**Proposed Projects/Proposed CDBG projects for 2014-2015**

14-15 CDBG Allocation- Final = \$531,056 + \$19,971 reprogrammed CDBG funds from prior years			551,027	Funding Recommendations
	20% Administration	106,211		
	15% Public Service	79,658		79,658
	RRLP			
	MHRP			
	Rehab Admin 14H			
<b>Town of Apple Valley In House/Construction Projects</b>				
21	Apple Valley Police Activities League- AV PAL	AV PAL	Wall construction at youth center for security	10,000
23	TOAV Municipal Services	Bus Stop Improvements	James Woody-ADA bus stop improvements	22,000
25	TOAV Community Development	CDBG Program Adminstration	20% of allocation	106,211
26	TOAV Community Development	Residential Rehabilitation Loan Program (RRLP)	Owner occupied single family residential repair	120,000
27	TOAV Community Development	Rehabilitation Administration 14H	Pays costs directly related to adminstration of rehabilitation programs- marketing, workshops, files that don't close	71,157
28	TOAV Economic Development	Micro-Enterprise Business Assistance	assist small business in return for job creation	22,000
29	TOAV Community Development	Manufactured Home Repair Program (MHRP)	Owner occupied manufactured homes on leased land	120,000
				<b>551,027</b>

Town of Apple Valley					
Public Service Projects					3/20/2014
2014-2015 CDBG Application Evaluation Sheet					
1415 #	Public Service Projects				
Project #	Name of Organization	Project Title	Description	Fund Amount Requested	Final Funding
4	Assistance League of Victor Valley	Operation School Bell	Clothing for School Kids	20,000	11,010
8	Victor Valley Domestic Violence	A Better Way Shelter and Outreach	Shelter and support	10,000	9,175
1	SB County Library	Adult Literacy Services		10,000	4,588
2	High Desert Homeless Services	Shelter Services	Shelter and support	24,000	14,680
22	Apple Valley Police	2014 Extended HOPE	Homeless referral	14,463	0
6	Feed My Sheep	Bagged Groceries		12,000	3,670
10	Inland Fair Housing and Mediation Board	Fair Housing Services	Anti-Discrimination and Landlord/Tenant	21,000	11,010
15	Victor Valley Community Services Council	Senior/Adult Disabled Needs Program	Home repairs, transportation, homebound/ care facility visits	15,000	9,175
16	Church for Whosoever	Literacy Center	At risk youth, K - 2nd	5,000	3,505
14	Moses House Ministries/ Rose of Sharon	Resources and Referrals for Families	single mother w/ children under six-assistance/services	18,846	6,423
7	Family Assistance Program	Transitional Living	Case Manager, maintenance staff	10,000	6,423
13	St. John of God Health Care Services	Homeless Prevention and Intervention	utility and rental assistance	15,000	0
12	Catholic Charities	Emergency Rental Assistance	rent/ mortgage and supportive services	25,000	0
3	Parents At Work	Job Readiness Program	Job assistance training	76,400	0
17	Another Level for Women	Utility Assistance/ Financial Literacy	Women with Children	20,500	0
5	St. Mary Medical Center	Community Health Advocates/Promotores	in home Spanish assessment	7,197	0
11	Montebello Housing Development Corp	Housing Opportunities	Homebuyer education and financial literacy	9,135	0
9	Fair Housing Council of Riverside County	Anti-Discrimination and Landlord/Tenant	Fair Housing Services	12,000	0
			<b>Total Public Service Funding Requested</b>	<b>295,541</b>	<b>79,658</b>

## **CDBG Annual Project Funding (Continued)**

**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 100 percent of its funds to benefit low- and moderate-income individuals during the 2014-2015 program year.

**Past Use of Funds:** Information on the current Second-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](http://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 Apple Valley HOME Consortium, consisting of the jurisdictions of Apple Valley and Victorville, will receive a total allocation of \$519,393 for the period beginning July 1, 2014 and ending June 30, 2015. Of that amount, Apple Valley estimates receiving \$213,471 and Victorville estimates receiving \$305,922. The public notice, as required by HUD, appeared in the Apple Valley News on March 14, 2014. 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 amount equal to the 2013-2014 allocation. 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. At this time, the Consortia share percentage calculation (percentage amount of allocation that each grantee in the Consortium group receives) has not been announced. This factor may require a slight adjustment of allocation between Apple Valley and Victorville. The 2013 percentage shares are used at this time- Apple Valley, 32%; Victorville, 68%.

**Apple Valley/ Victorville Proposed HOME Funding:** The Apple Valley/Victorville HOME Consortium will receive \$519,393 in HOME grant funds for FY 2014-2015 for the period beginning July 1, 2014 and ending June 30, 2015.

**Proposed Apple Valley Projects:** Proposed HOME projects for 2014-2015 are outlined below:

Residential Rehabilitation Loan Program (RRLP)	148,027
Program Administration	35,838
Community Housing Development Organization (CHDO)	29,605
Total	<hr/> \$213,471

**Proposed Victorville Projects:** Proposed HOME projects for 2014-2015 are outlined below:

HOME Administration	16,101
Senior Home Repair Program	241,518
CHDO	48,304
Total	<hr/> \$305,922

A copy of the draft Consolidated Plan – Third-Year Action Plan for 2014-2015 is available for review at the Town’s website: [www.applevalley.org](http://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 2014-2015 Third Year Action Plan for Apple Valley and Victorville.

**FISCAL IMPACT:**

None