



TOWN OF APPLE VALLEY
Housing and Community Development Grants Program
Application Instructions and
Notice of Funding Availability
Program Year July 1, 2017 through June 30, 2018



Important Notes: Application Deadline is December 19, 2016 at 4:30 pm
Application and Instructions- www.applevalley.org
(Application available on 11/17/16)

NOTE: Community participation in the development of the Consolidated Plan/Action Plan is considered a vital component to the success of this process. Local service providers and stakeholders are encouraged to support and provide outreach so that our efforts reach those persons and households who might not otherwise be reached.

1. INTRODUCTION

The Town of Apple Valley is now accepting project proposal applications for the FY 2017-2018 Housing and Community Development Grant programs. Funds for these programs are provided under the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs.

A. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (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, a suitable living environment and expanded economic opportunities, principally for persons of low and moderate-income. For the FY 2017-2018, which begins July 1, 2017, the Town of Apple Valley expects to receive approximately \$560,000 in CDBG funds.

B. HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

HOME is authorized under Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended. The Town of Apple Valley has formed a consortium with the Town of Apple Valley in order to meet the threshold of obtaining HOME entitlement status with the U.S. Department of Housing and Urban Development (HUD). The successful formation of this consortium has resulted in an annual allocation of HOME funds to both communities. For FY 2017-2018, the Consortium anticipates receiving a total of approximately \$538,000. Of that amount, Apple Valley and Victorville will receive an estimated \$218,000 and \$320,000, respectively. The City of Victorville receives its own allocation of CDBG funds which are announced through a separate NOFA.

2. USE OF FUNDS

Funds for these programs are restricted according to the nature and type of program. Generally, CDBG funds may be distributed as follows: Public Service Projects, 15%; Construction/Other and Housing Projects, 65%; and Administration, 20%. Similarly, HOME funds may be distributed as follows: Construction/Other Projects, 75%; Community Housing Development Organizations (CHDOs), 15%; and Administration, 10%.

3. FUNDING PRIORITIES

2017-2018 Strategic One Year Plan Priorities as approved by Town Council

NOTE: these priorities will be established by the Council on January 11, 2017 based on public input by survey response (10/13 – 11/28/2016), community and stakeholder meeting held in November/December 2016 and a public hearing on December 13, 2016.

5 Year Consolidated Plan 2017-2021, Priority Needs for 2017-2018 1st Year Action Plan based on Community Input (except Public Service)

- Preserve the existing housing stock- rehabilitation
- Expand the supply of affordable housing- acquisition/new construction
- Assist in reducing housing costs of extremely low and very-low-income households- weatherization, replacement of major building components, resolve health and safety issues
- Increase affordable homeownership opportunities- down payment assistance
- Eliminate blighted conditions and substandard housing through enhanced code enforcement activities/ eliminate substandard and blighted conditions through demolition
- Provide shelter and related support services to meet the needs of the homeless population and support the development of a continuum of care system on a region wide basis
- Assist special needs persons with reducing housing costs and meeting their rehabilitation needs- accessibility improvements
- Affirmatively further fair housing and equal access to opportunity for federal, state and local protected classes
- Coordinate public and private efforts to reduce lead based paint hazards and protect young children
- Create safer, more attractive and more accessible neighborhoods and stimulate economic growth and opportunity through the improvement of infrastructure and transit
- Provide public facilities and park improvements
- Provide funding to non profit agencies to expand their services to persons in need.
- Expand the economic base and promote greater employment opportunities for residents

Address Public Service Needs

- 1 Emergency Services
- 2 Youth Services
- 3 Senior Services
- 4 Mental health service
- 5 Handicap Services
- 6 Shelter services
- 7 Literacy Programs
- 8 Transportation Services
- 9 Job Training
- 10 Food Service
- 11 Physical Health Service
- 12 Performing Arts/ Cultural interests
- 13 Transitional housing
- 14 Single Parent Services
- 15 Recreation services
- 16 Assisted Housing
- 17 Utility assistance
- 18 Legal assistance
- 19 Other

4. TOWN GUIDELINES

For housing activities, the Town will make the determination of whether to use CDBG, HOME or a combination of both funds, unless there is a compelling reason to use one funding source over the other. **Applicants should indicate if there is a preference for CDBG or HOME funds.**

Applications will be evaluated for eligibility based on the national objectives and eligibility standards established by HUD for the CDBG and HOME programs. These objectives and standards are outlined in this information package.

The following will serve as a guideline for considering distribution of CDBG funds:

Of the eligible applications for the given year's CDBG funds, programs and projects that target the area of and the citizens of the Town of Apple Valley shall receive priority for program and/or project funding.

Understanding that the Town of Apple Valley is one of several agencies of the Victor Valley which receive CDBG funds for the same or similar purposes (the others being Victorville, Hesperia, and the County of San Bernardino-Adelanto and unincorporated areas), it shall be presumed that residents of Apple Valley consume up to 20% of valley-wide services. Therefore, for organizations that declare their programs and projects serve the Victor Valley (not exclusively the Town of Apple Valley), the Town Council will expect to award funds not in excess of 20% of the total project amount requested.

The Town Council reserves the privilege to award funds in excess of 20%, or additional funds, for organizations that provide adequate supporting evidence that Apple Valley residents have or are projected to consume more than 20% of their services.

The following will serve as a guideline for considering distribution of HOME funds:

As required by HUD, a minimum of 15% of the annual allocation will be reserved for housing activities undertaken by qualified Community Housing Development Organizations (CHDOs). A CHDO is a private, non-profit community-based service organization that meets a series of qualifications prescribed in the HOME regulations to develop affordable housing for the community it serves. An organization must be qualified and designated as a CHDO by the consortium.

Of the eligible applications for the given year's HOME funds, housing projects sponsored by the Town of Apple Valley shall receive priority for funding.

5. ELIGIBILITY

A. CDBG Eligibility

Federal regulations define the parameters for using CDBG funds according to established national objectives. These regulations also specify eligible and ineligible activities. Copies of these regulations are available on our website or upon request. All CDBG funded activities must meet one of the national objectives and all project applications will be evaluated against these national objectives and eligibility requirements.

CDBG National Objectives:

- The project must principally serve low and moderate-income persons; or
- The project must eliminate slums and blight; or
- The project must address a recent and urgent health and safety need (catastrophic event).

In order to qualify for CDBG funding, all eligible activities must principally benefit low and moderate-income persons. An activity will be considered to principally benefit low and moderate-income persons if it meets one or more of the following standards:

1. **100% Low/Mod Income Benefit (includes public service activity):** The activity has an income eligibility requirement that limits the benefits exclusively to low and moderate-income persons.

2. **Area Benefit:** The activity is designed to serve Low/Mod areas (i.e. the Town's CDBG Target Areas- low income census tracts).
3. **Presumed Benefit:** The activity would benefit one or more of the following groups presumed to be low-income under CDBG regulations: abused children, battered spouses, the elderly, adult persons with severe disabilities, the homeless, illiterate persons, and migrant farm workers.
4. **51% Low Mod Limited Clientele (not public service activities):** The activity has income eligibility restrictions and requires income verifying documentation to assure that at least 51% of the users or beneficiaries of an assisted facility are low income (e.g. the rehabilitation of a day care center serving ≥51% low-income households).
5. **Job Creation/Retention for Low-Income Population:** The activity is designed to create or retain permanent jobs, a majority of which will employ low-income persons.
6. **Slum/Blight Elimination:** The activity is designed to eliminate slum and blight as part of a comprehensive plan- limited to 30% of program funds. A minimum of 70% of program funds must benefit low income persons.

B. HOME PROGRAM

Federal regulations define the parameters for using HOME program funds according to established objectives. These regulations also specify eligible activities. Copies of these regulations are available on our website or upon request. All project applications will be evaluated against the HOME program objectives and eligibility requirements.

HOME Program Objectives:

- Provide decent affordable housing to lower-income households;
- Expand the capacity of nonprofit housing providers;
- Strengthen the ability of state and local governments to provide housing; and
- Leverage private-sector participation.

The following program specific qualifying criteria will be used in determining HOME Program eligibility:

1. **Program Targeting.** The HOME Program is designed to provide affordable housing to low and very-low-income households. Therefore, the Town must use 100% of its HOME funds to assist households with incomes below 80 percent of the area median income (i.e. households whose gross income is at or below HUD's Riverside/San Bernardino, CA MSA definition for low-income). There are also many rules about targeting program resources such as establishing applicant/tenant eligibility, maintaining affordable rents, occupancy set-asides, restricting assistance to a limited number of units, and much more. Applications for funding will be evaluated against this criterion.
2. **Match.** The HOME Program requires that federal HOME funds be matched 25% with non-federal forms of subsidy. The premise of the "match" requirement is that the provision of affordable housing is a local as well as federal responsibility, and, as such, should require a financial commitment from state and local sources as well as the federal government. The matching contribution does not have to be invested in the same project and can be earned for investment in other HOME-assisted, HOME-eligible or HOME-partially assisted projects. Unless HUD waives the local match requirement, the applicant will be responsible for providing match contributions.

The match requirement can be met by the following sources:

- Cash or cash equivalents from a non-federal source,
- Value of waived taxes, fees or charges, associated with HOME projects,
- Value of donated land or real property,
- Cost of infrastructure improvements associated with HOME projects,
- Percentage of the proceeds of single or multi-family housing bonds issued by state, state instrumentally or local government;
- Value of donated materials, equipment, labor and professional services,

- Sweat equity,
- Direct costs of supportive services to residents of HOME projects, and
- Direct cost of homebuyer counseling to families purchasing homes with HOME assistance.

NOTE: Match counted for other Federal programs cannot be counted as HOME match.

3. **Community Housing Development Organizations (CHDOs).** HOME jurisdictions are required to set aside at least 15% of their annual HOME allocations for housing activities undertaken by qualified CHDOs. CHDOs may also receive HOME dollars outside the set-aside amounts.

6. ELIGIBLE ACTIVITIES

A. CDBG ELIGIBLE ACTIVITIES

Federal regulations limit the kinds of activities that the Town may carry out with CDBG funds. The regulations governing the CDBG program provide detailed eligibility requirements. Copies of the CDBG regulations are available from the Town upon request. The following generally identifies the eligibility standards:

- **Public Services** - (for eligible Low/Mod or presumed benefit clientele) including job training and employment services; health care and substance abuse services; child care; recreational services; crime prevention; graffiti removal; services to presumed benefit clientele; interim assistance; and fair housing counseling;
- **Construction/Other** - including real property acquisition and disposition for an eligible use; demolition and clearance of deteriorated buildings; public facilities and improvements including construction and/or rehabilitation of public infrastructure and the construction or rehabilitation of neighborhood facilities and facilities for persons with special needs; economic development activities including assistance to microenterprises and other businesses, technical assistance and other support services to microenterprises, acquisition, construction and rehabilitation of commercial and industrial properties; and relocation assistance for businesses temporarily or permanently relocated;
- **Housing Activities** - including acquisition of real property for rehabilitation for residential purposes, housing rehabilitation, energy improvements; lead-based paint testing and abatement; homeownership assistance; housing services in connection with HOME program activities and other housing services;
- **Economic Development Activities** – including business capital improvements; technical assistance to businesses; microenterprise development; commercial rehabilitation; public works facilities and improvements that support business endeavors; and job training;
- **Generally Ineligible Projects** - construction of religious facilities that are used for inherently religious activities; government buildings; new housing construction; maintenance and operation expenses; equipment purchases; political or religious proselytizing and fund raising.

B. HOME PROGRAM ELIGIBLE ACTIVITIES

Federal regulations limit the kinds of activities that the Town may carry out with HOME funds. The regulations governing the HOME program provide detailed eligibility requirements. Copies of the HOME regulations are available from the Town upon request. The following generally identifies the eligibility standards:

- **Homeowner Rehabilitation** - HOME funds may be used to assist existing owner-occupants with the repair, rehabilitation or reconstruction of their home.
- **Homebuyer Activities** - Funds may be used to finance the acquisition and/or rehabilitation or new construction of homes for homebuyers.
- **Rental Housing** - Affordable rental housing may be acquired and/or rehabilitated, or constructed.
- **Tenant-based rental assistance (TBRA)** - Financial assistance for rent, security deposits and, under certain conditions, utility deposits may be provided to tenants.

7. PERFORMANCE MEASUREMENTS

The Government Performance and Results Act (GPRA) of 1993 and HUD Notice CPD–03-09 entitled, Development of State and Local Performance Measurement Systems for Community Planning and Development (CPD) Formula Grant Programs, requires that the Town implement a performance measurement system to assess our performance and progress towards addressing the needs of the low-income people and areas we serve. On June 7, 2005, HUD issued a Notice of Draft Outcome Performance Measurement System to enable grantees to aggregate their outcomes to the National level. The following generally outlines both HUD and the Town's performance measurements requirements. Additional information may be found in Section 7 of the Town's CDBG Procedures Manual.

Please do not over estimate on what your project can realistically deliver. If your project is funded, the information provided in the Performance Measurements Section will be directly transmitted to HUD in the Annual Action Plan.

A. Goals

A goal is a broad statement that describes what can reasonably be achieved by carrying out a program or completing a project. The Town's goals are the proposed solutions to the problems or needs identified in the Strategic Plan. Each funded program/project must meet one of the Town's Strategic Plan Goals. Your agency will also have its own goals that are generally directly related to the purpose or mission of the agency and expresses that purpose concisely.

B. Activities

Activities are what the program/project does to fulfill its goals or mission. Activities include the services, major steps, or milestones your agency provides in order to implement the program/project.

C. Outputs

Outputs are the direct products of a program/project. Each output should relate to the intended outcome of the program activities and community objectives. They are measured in terms of the volume of work or units of service accomplished.

D. Objectives

An objective is something you plan to do or achieve. The primary objective of Title 1 of the Housing and Community Development Act of 1974 is to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities for low and moderate-income households. You must select one of these three objectives for your program/project.

E. Outcomes

Outcomes are the results/benefits achieved from a program/project and typically relate to a change in conditions, status, attitudes, skills, knowledge, or behavior. HUD has identified the three outcome categories to enable grantees to aggregate outcomes to the National level.

F. Measurement Reporting Tools

To measure outcomes, you should select measurement reporting tools that relate to the goals established for your funded program/project. Common measurement reporting tools are: client assessments, surveys, observation tools, case records and interviews.

8. PAYMENT OF PREVAILING WAGES

The Payment of prevailing wages in accordance with the Davis-Bacon and Related Acts as set forth in the Code of Federal Regulations (Title 29 CFR Parts 1,2,5,6 and 7) are required if the project involves:

- CDBG funds for non-residential construction or rehabilitation exceeding \$2,000,
- CDBG funds for residential rehabilitation of eight (8) or more units, **or**
- HOME funds for the construction or rehabilitation of twelve (12) or more housing units.

9. MAINTENANCE AND OPERATION/PROPERTY MAINTENANCE COMMITMENT

Federal regulations **do not** permit the use of CDBG funds for maintenance and operation expenses and they require that HOME-assisted properties be adequately maintained and operated. Therefore, construction and housing project proposals will not be accepted as complete without a properly executed Maintenance and Operation/Property Maintenance Commitment Form with the estimated Annual Maintenance and Operation Budget. These elements of the proposal provide assurances of long-term benefits of CDBG and HOME funded improvements. The signatory must be an individual with authority to obligate the entity identified as being responsible for on-going maintenance and operation.

10. APPLICATION INSTRUCTIONS

A. Applications

Applications will be available from Thursday November 17, 2016 through Monday December 19, 2016 and may be downloaded from the Town's website at www.applevalley.org, picked up at the Development Services Building of Town Hall, 14975 Dale Evans Pkwy, Apple Valley, or by telephoning (760) 240-7000 x 7900. Persons, organizations, or agencies requesting funding consideration under the Town of Apple Valley's Housing and Community Development grant programs must submit **ONE UNBOUND** completed "Application Form" for each project along with all the required supporting documentation (refer to the "Application Checklist"). All pages must be one-sided and sized to 8½ x 11 paper. Do not include oversized or undersized pages. The application should not include any extraneous materials, unnecessary packaging, or a letter of transmittal, as they will be discarded.

The application requires detailed and specific information about the project. The Town will use this information to determine if the proposal is eligible for funding. All applicants will receive notification on the eligibility status of each project proposal.

B. Technical Assistance Workshop

Town staff will conduct a technical assistance workshop to assist in the preparation of applications on **November 17, 2016 from 9:00 am to 12:00 pm in Town Hall, Development Services Building, Conference Center South, 14975 Dale Evans Pkwy, Apple Valley**. All parties interested in submitting a Housing and Community Development grant application are **required to attend**. RSVP to Christopher Moore at 760 240-7000 x7921 or by email at cmoore@applevalley.org.

C. Supporting Documentation

In order for applications to be considered complete, the following supporting documentation must be attached to the application: Articles of Incorporation; By-Laws; List of Board of Directors; Audited Financial Statements; Proof of Non-profit Status (e.g. 501(c)(3)); and Adopted Budget. Other supporting documentation may be required depending on the application and project, read each application carefully for these requirements.

D. Proposal Evaluation

Once your application is received by the Town of Apple Valley, it is reviewed to determine project eligibility. Applicants that have substantially incomplete or ineligible will be notified and will not be considered for funding. Applications needing minor clarification will be notified for submission of requested information; failure to submit by time requested results in ineligibility. Eligible applications will be forwarded to the Community Development Citizen's Advisory Committee (CDCAC) for review. The Committee is responsible for evaluation of the proposals and providing funding recommendations to the Town Council.

A point scale is utilized for rating and ranking applications. Ratings are based on a numerical scale of 1 to 25 for five categories with a maximum number of possible points being 125. Rating scores are as follows: 1 through 5 - Poor; 5 through 10 - Fair; 10 through 15 - Average; 15 through 20 - Good; and, 20 through 25 -

Excellent. The applications will be ranked based on total points to determine priority for available funding. The amount of funding for each applicant will be determined by the committee based on the final HUD allocations and the committee's determination of equitable needs. The committee may adjust recommended amounts based on actual allocations from HUD.

Below is the criteria used for evaluation of applications submitted for funding consideration:

Need (Maximum of 25 points)

- There is a need for the activity that has been clearly defined and identified by the agency through community input, survey results and HUD data.
- The information supplied by the applicant shows how this activity will address the need.
- The need identified in the application is a current community needs priority as identified through community meetings, surveys and public hearings.

Benefit (Maximum of 25 points)

- The cost/benefit ratio is reasonable (comparison of number of Apple Valley Residents to benefit to the amount of funding requested from Apple Valley.)
- The funding effectively and efficiently benefits the target group.
- The beneficiaries are an appropriate target group (low-income, handicapped, homeless, elderly, etc.).
- The activity benefits CDBG target areas.

Organization and Administrative Capability (Maximum of 25 points)

- The applicant is fiscally accountable (audit, adopted budget and proposed budget).
- The applicant's goals for this activity are realistic and achievable.
- The activity is consistent with the applicant's overall philosophy (articles of incorporation and bylaws).
- The applicant has a stable Board of Directors and staffing.
- The applicant has prior experience in successfully administering an activity with similar administrative requirements (previous CDBG or other Federal, State and local grants).

Funding (Maximum of 25 points)

- The proposed budget demonstrates adequate funding.
- The proposed budget is reasonable.
- The requested funds will achieve an impact on the need.
- The request will not supplant other funding already available.
- The applicant demonstrates ongoing funding from other sources (federal, state and local resources) for its activities.
- The match requirements for funding are met or exceeded.

Town Council Priorities (Maximum of 25 points)

- Successful past performance and funding history.
- Extent to which applicant will be able to meet stated goals and the ability to complete the activity in a timely manner.
- Agency participates in community meetings and promotes outreach and citizen participation in the development for the Consolidated Plan/Action Plan.
- If the activity provides a regional benefit, the application supports the amount of funds requested proportionate to the benefits Apple Valley residents will receive.

When the CDCAC completes the application review and evaluation process, it will provide its rating and funding recommendations to Council. The Town Council then allocates funds to eligible projects based on the Town's priority needs and recommendations of the CDCAC. **The Town Council has the authority to make all final decisions regarding the selection of projects and the allocation of funds among projects.**

E. Public Hearing

The Apple Valley Town Council will hold a public hearing to receive public input regarding the proposed

funding allocations for fiscal year 2016-2017 on April 25, 2017. All applicants will receive notice of the public hearing.

F. Application Deadline

Town of Apple Valley Project/Program Applications will be accepted until 4:30 p.m., **Monday December 19, 2016**. Applications must be delivered to the Community Development Department, Development Services Building, Town Hall, 14975 Dale Evans Pkwy, Apple Valley, **not later than 4:30 p.m.** on that date in order to be considered eligible. Faxed or e-mailed applications will not be accepted.

G. Funding Notification

The Town of Apple Valley sends written notification to the agencies approved for implementing the CDBG-funded programs. Contracts must be written and approved for all CDBG-funded programs prior to any expenditure of funds by the subrecipient agencies.

For more information, application forms, or for questions, contact Christopher Moore, Housing and Community Development Specialist, at (760) 240-7000 x7921 or by e-mail at: cmoore@applevalley.org.

Submit Completed Applications to:	Community Development Department Attn: Christopher Moore, HCD Specialist Town of Apple Valley Development Services Building 14975 Dale Evans Pkwy Apple Valley, CA 92307
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SUBMITTAL CHECKLIST

THE FOLLOWING DOCUMENTS MUST BE INCLUDED AT THE TIME OF APPLICATION SUBMITTAL OR THE APPLICATION IS SUBJECT TO REJECTION:

1. **Completed Application Form**
2. **Copy of Articles of Incorporation;**
3. **By-Laws;**
4. **List of Board of Directors (full names, titles, term of office and addresses of all members;**
5. **Organizational Chart**
6. **Current Organizational Annual Financial Report (prepared by a qualified and independent entity);**
7. **Copy of 501(c)(3);**
8. **Current Fiscal Year Budget (Applicants must submit a proposed budget (page 6 for Construction and Major Equipment Purchase activities, page 7 for Acquisition, and pages 8 & 9 for Public Service activities. Applicants submitting for Construction and Major Equipment Purchase activities must have attended the current fiscal year Consultation Meeting and must have had prior discussions with the Town of Apple Valley CDBG Administrator.**
9. **Agency's Mission Statement**
10. **CDBG Target Area Map (If program is located within or will serve a target area)**
11. **Optional - Please submit any additional information, such as newsletters, annual reports and fundraising literature that will assist the review committee in its evaluation of your application. Copy and size submittals to 8.5 x 11 format.**

Consolidated Planning Schedule	
Report 2015-2016 Implement 2016-2017 Prepare 2017-2021/2017-2018	
Date	Event
10/10/16	2015-2016 CAPER available for public review and comment, place in locations and on website
10/13/16	Post priority needs survey, available to residents for public hear #1- set priority needs
11/1 – 11/30/16	Conduct public meetings, community needs survey and stakeholder interviews
11/15/16	Council, set Public Hearing #1 for Dec. 13, 2016
11/18/16	Publish Public Notice for Public Hearing #1
11/30/16	Consultation Workshop- Cities, housing providers and potential sub recipients
11/28/16	Priority Needs surveys due, tabulate results for 12/13/16 council meeting
11/17/16	CDBG Applications available
11/17/16	CDBG Application Technical Assistance Workshop
12/13/16	Public Hearing #1- Public input re: priorities
12/19/16	CDBG Applications due at 4:30 pm
1/10/17	Council, set priority needs for 1st Year Action Plan, 2017-18
2/1/17	CDCAC meeting to review proposed plan and make funding recommendations
2/2/17	Mail CDBG/HOME preliminary funding recommendations notice to non-profits, agencies and other applicants
3/24/17	Publish Public Notice, Public Hearing #2
4/25/17	Council Approval, public hearing #2- con plan/1st year action plan.
6/5/17	Sub-recipient Agreements CDBG; approval letters to departments for capital improvement and economic development projects to proceed on 7/1 - prepare after council approval
6/24/17	CDBG sub recipient agreements due, execute
6/30/17	FY 2016-17 end
7/1/17	FY 2017-18 begins
7/11/17	CDBG Technical Agreements and Monitoring Workshop

