



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** June 13, 2017

From: Orlando Acevedo, Assistant Director,
Economic Development and Housing **Item No:** 7

Subject: **SECOND PUBLIC HEARING FOR 2017-2021 CONSOLIDATED PLAN
AND FY17-18 ACTION PLAN FOR THE COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG) AND THE HOME INVESTMENT
PARTNERSHIPS (HOME) PROGRAMS**

Town Manager 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 approval of the 2017-2021 Consolidated Plan and the funding of proposed projects under the 2017-2018 First-Year Action Plan; and authorize the Town Manager to execute all necessary HUD documents on behalf of the Town.

SUMMARY

The U.S. Department of Housing and Urban Development (HUD) requires the Town to conduct a minimum of two public hearings prior to submitting the Town's Consolidated Plan and Annual Action Plan (collectively "Plans"). The first public hearing was conducted on December 3, 2016 to continue the Town's efforts to solicit public input in the development of priority needs for Plans (please see below for a complete calendar of public participation events and activities). The Action Plan is a major component of the Consolidated Plan and determines the specific use of Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Consortium funds for the upcoming program year.

As previously stated, the delayed Federal budget process also delayed HUD's release of final annual funding allocations for both CDBG and HOME funds. Accordingly, the Town's HUD representative has recommended the Town use the same allocation estimates from FY2016-17 until final allocations have been released.

At this second and final public hearing, the Town Council is requested to consider the Community Development Citizen Advisory Committee (CDCAC) funding recommendations and public input regarding such recommendations. This public hearing provides a final opportunity for public comment from citizens, public agencies, and other interested parties, regarding the proposed use of these federal dollars. Upon closing of this evening's public hearing, the Town Council will act to fund the recommended programs, projects and activities for FY2017-2018. Thereafter the Plans will be submitted to HUD for final approval.

BACKGROUND:

The HUD Consolidated Plan is a five -year planning document which addresses the use of federal grant entitlement funds to meet the goals of the Assessment of Fair as well as providing decent housing, a suitable living environment and expanded economic opportunities, principally for low- and moderate-income persons. The Consolidated Plan also includes a five-year Community Needs Assessment and Strategy. 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 Town of Apple Valley. This includes an assessment of housing needs for low-to-moderate-income families, including the needs of protected classes, homeless individuals and families; 2) Based on this information, a five-year strategic plan is developed, which includes priorities, objectives and accomplishments that are expected to be achieved during the five-year timeframe of the Plan; 3) The 2017-2018 First Year Action Plan provides a one-year investment plan which outlines intended uses of resources, descriptions of activities to be undertaken and the specific objectives and priority needs to be addressed.

Community Development Block Grant (CDBG) funds are to be used 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-to-moderate-income. For FY2017-18 the Town expects to receive approximately \$540,000; although final allocations have yet to be announced. All CDBG-funded projects must meet one of the following national objectives:

- 1) Principally benefit low-to-moderate-income persons;
- 2) Eliminate slums and blight; or
- 3) Meet an urgent need.

The types of projects and programs which may be considered for funding, subject to National Objectives compliance, include acquisition, disposition, public facilities and improvements, residential rehabilitation, clearance activities, public services, interim assistance, removal of architectural barriers and special economic development activities.

CDBG ANNUAL PROJECT FUNDING: The Town will receive an estimated allocation of \$559,270 in CDBG grant funds for the period beginning July 1, 2017 and ending June 30, 2018. A carry-over balance from prior fiscal years of \$14,153 will be reprogrammed for the 2017-2018 program year into CDBG projects. The estimated available CDBG funding for 2016-2017 is \$573,423.

Proposed Projects: The Town considered a total of 25 CDBG eligible projects/programs this year. In February, the CDCAC met to review the proposals and make recommendations for funding. A summary of the Committee's recommendations for the 2017-2018 CDBG program is provided below and within the Plans. Public service projects comprise 15% (approximately \$84,000) of the proposed Annual Plan allocation, the maximum amount allowable pursuant to CDBG regulations. A total of ten (10) public service projects are recommended for funding.

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 100 percent of its funds to benefit low- and moderate-income individuals during the 2017-2018 program year.

Past Use of Funds: Information on the current 2016-17 Fifth-Year Action 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) 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).

The Town participates in a consortium with the City of Victorville in order to meet the threshold of obtaining HOME entitlement status with HUD. The successful formation of the consortium has resulted in an annual allocation of HOME funds to both communities. The consortium identifies the Town as the lead agency and the City of Victorville as a participating jurisdiction.

This HOME Consortium anticipates receiving a total allocation of \$537,911 for the period beginning July 1, 2017 and ending June 30, 2018. Of that amount, Apple Valley estimates receiving \$218,526 and Victorville estimates receiving \$319,385. HOME funds match waiver (0%) and percentage share (AV=37.5%; VV=62.5%) are determined by HUD formula allocation and annually reviewed. At this time, the percentage share for 2017 has not been published; an estimate is provided based on the 2016 rate. As lead agency, Apple Valley is allocated 50% of the Victorville portion of program administration.

Consolidated Planning Schedule

Date	Event
10/13/16	Post priority needs survey, available to residents for public hearing #1- set priority needs
11/17 12/8/16	– Conduct public meetings, community needs survey and stakeholder interviews: 11/17, 11/28, 11/29, 11/30, 12/5 (2), 12/6 (2), 12/7, 12/8 (2), 12/13
11/15/16	Council, set Public Hearing #1 for Dec. 13, 2016
11/17/16	CDBG Applications available
11/17/16	CDBG Application Technical Assistance Workshop
11/18/16	Publish Public Notice for Public Hearing #1
11/28-30/16	Consultation Workshop- Cities, housing providers and potential sub recipients
11/28/16	Priority Needs surveys due, tabulate results for 12/13/16 council meeting
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 draft proposed plan and make funding recommendations
3/24/17	Publish Public Notice, Public Hearing #2
4/25/17	Continue public hearing #2 to June 13 Council Meeting
06/13/17	Council Approval, public hearing #2- con plan/1st year action plan.
6/14/17	Sub-recipient Agreements CDBG; approval letters to departments for capital improvement and economic development projects to proceed on 7/1 - prepare after council approval
6/28/17	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

Town of Apple Valley			
2017-2018 Estimated Allocations and CDCAC/Staff Recommendations			
Public Service (Non Profit) Projects			
Name of Organization	Project Title	Description	Amount
Assistance League of Victor Valley	Operation School Bell	Clothing	\$ 12,500
High Desert Homeless Services	Shelter Services	Sheltering	\$ 12,500
Church for Whosoever	CFW Literacy Center	Child Literacy	\$ 4,000
VV Domestic Violence	A Better Way	Sheltering	\$ 6,500
SB County Library	Adult Literacy Services	Literacy	\$ 6,000
VV Community Services Council	Senior and Disabled Services	Repairs, Transportation, Visitations	\$ 10,000
Family Assistance Program	Transitional Housing	Housing activities	\$ 10,000
Lutheran Social Services, So Cal	Our Children Project	Counseling	\$ 5,000
Inland Fair Housing and Mediation Board	Fair Housing Services	Counseling	\$ 10,000
*Moses House Ministries	Resources/Referrals for Families	Counseling, Services	\$ 7,500
Total Funding Requested *To be adjusted based on final HUD allocation			\$ 84,000
FY2017-2018 In-House Proposals			
Department	Project Title	Description	Amount
Economic Development and Housing	Small Business ADA Rehab Loan Program	Construction ADA	\$ 75,000
Economic Development and Housing	Small Business/Entrepreneur Incubator Space	Small Business Start up	\$ 25,000
Code Enforcement	Blight and Slum Elimination (BASE)	Code Enforcement	\$ 35,000
Park and Recreation	James Woody Park Playground Structures	Playground Equipment Replacement	\$ 60,000
Community Development	Administration/Monitoring	Administration	\$ 111,854
Community Development	Residential Rehab Loan Program (RRLP)	Owner Occupied Rehabilitation	\$ 102,678
Community Development	RRLP Administration (14H)	Housing activities	\$ 80,000
Total			\$ 489,532
FY2017-18 Home Allocation (Apple Valley)			
Department	Project Title	Description	Amount
Community Development	Administration/Monitoring	Administration	\$ 36,981
Community Development	Community Dev Housing Organization (CHDO)	Housing activities	\$ 30,257
Community Development	Residential Rehab Loan Program (RRLP)	Housing activities	\$ 151,287
Total			\$ 218,525
FY2017-18 Home Allocation (Victorville)			
Department	Project Title	Description	Amount
	Administration/Monitoring	Administration	\$ 16,810
	Community Dev Housing Organization (CHDO)	Housing activities	\$ 50,429
	Senior Home Repair Program (SHRP)	Housing activities	\$ 252,146
Total			\$ 319,385

A full copy of the Draft 2017-2021 Consolidated Plan and 2017-18 Action Plan is available for review at the Town's website: www.avhousing.org.

Based upon the foregoing, after the closure of the public hearing, staff recommends the approval and adoption of the 2017-2021 Consolidated Plan and 2017-18 Action Plan for the Apple Valley/Victorville HOME Consortium

FISCAL IMPACT:

FY17-18 HUD funding allocations