



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** April 24, 2018

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

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

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

RECOMMENDED ACTION:

- A. Open public hearing.
- B. Close public hearing.
- C. That the Town Council approve the Community Development Citizen Advisory Committee (CDCAC) funding recommendations of the 2018-2019 Second-Year Action Plan, an annual component of the five-year 2017-2021 Consolidated 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 at least 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 12, 2017 to solicit public input in the development of priority needs for the Plans. 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.

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. The public notice, as required by HUD, appeared in the Apple Valley News on March 23, 2018. 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 FY2018-2019. Thereafter, the Plans will be submitted to HUD for final approval.

While the recently approved federal budget increases funding to HUD programs, as of this writing, HUD has not released final allocations for CDBG and HOME funds. Accordingly, staff has budgeted to receive the same allocation as FY2017-18 until final allocations have been released. Final allocations will be incorporated into recommended project funding amounts based on predetermined adjustments to account for differences from estimates.

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 Housing 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 2018-2019 Second 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 Program

CDGB 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. 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.

Public service projects comprise 15 percent (approximately \$81,297) of the proposed Second-Year allocation (the maximum amount allowable pursuant to HUD regulations). The Town considered a total of 28 CDBG eligible projects/programs this year. A total of ten (10) public service projects are recommended for funding by the CDCAC (see

attachment). 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 (100%) of its funds to benefit low- and moderate-income individuals in FY2018-19. 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.

It is estimated the Town will receive a FY2018-19 allocation of \$541,977 in CDBG funds. Moreover, a carry-over balance from prior fiscal years of \$93,936 and anticipated program income of \$81,000 will be also reprogrammed into CDBG projects in FY2018-19. Accordingly, the total estimated CDBG funding for FY2018-19 is \$716,913.

HOME Investment Partnerships Program

The Town participates in a consortium with the City of Victorville in order to qualify for 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 Victorville as a participating jurisdiction.

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 HOME Consortium anticipates receiving a FY2018-19 allocation of \$535,113. Anticipated program income is \$60,000. Prior year program funds and program income (CHDO and entitlement) will help fund a CHDO rehab project at Northgate Village Apartments in Victorville. Apple Valley estimates receiving \$237,048 and Victorville estimates receiving \$358,065. HOME funds match waiver (0%) and percentage share (Apple Valley:37%; Victorville:63%) are determined by HUD formula allocation and annually reviewed. At this time, the percentage share for 2018 has not been published; an estimate is provided based on the 2017 rate. As lead agency, Apple Valley is allocated 50% of the Victorville portion of program administration.

A full copy of the draft 2017-2021 Consolidated Plan and FY2018-19 Second-Year Action Plan, along with information on the Town's current and previous use of CDBG and HOME funded programs, may be reviewed on the Town's website at www.applevalley.org.

FISCAL IMPACT:

There is no impact to the Town's General Fund.

ATTACHMENT:

List of FY2018-19 CDBG and HOME funded programs and projects

Town of Apple Valley			
2018-2019 Estimated Allocations and CDCAC/ Staff Recommendations			
CDBG Public Service (Non-Profit) Programs			
Name of Organization	Project Title	Description	Amount
Assistance League of Victor Valley	Operation School Bell	Clothing	\$ 10,000
Family Assistance Program	Transitional Housing	Housing	\$ 10,000
VV Community Services Council	Senior and Disabled Services	Transportation, home visits, minor repairs	\$ 10,000
Cedar House Life Change Center (CHLCC)	Oasis House	Transitional Age Youth Housing	\$ 6,000
Moses House Ministries	Resources and Referrals for Families	Mothers with children under 6	\$ 8,297
VV Domestic Violence	A Better Way	Sheltering Services	\$ 7,000
Church for Whosoever	CFW Literacy Center	Tutoring at risk youth	\$ 5,000
High Desert Homeless Services	Shelter Services		\$ 10,000
Inland Mediation Board (IFHMB)	Fair Housing Services	Required by HUD	\$ 10,000
HD Community Foundation/ Orenda	Orenda Veterans Project	Transitional Housing Veterans	\$ 5,000
Total			\$ 81,297
CDBG Programs (Apple Valley)			
Department	Project Title	Description	Amount
Park and Recreations	Mendel Park Restroom		\$ 115,000
Park and Recreations	JW Park Parking Lot Resurface		\$ 143,750
Park and Recreations	JW Park Security Cameras		\$ 0
Code Enforcement	CODE		\$ 54,000
Housing	Manufactured Home/SFR Disposition		\$ 30,000
Economic Development	Victor Valley College Foundation	Public Safety Career Path Training	\$ 50,000
Economic Development	Small Business /Entrepreneur		\$ 50,000
Housing	CDBG Rehab Admin 14H		\$ 84,471
Housing	CDBG Administration		\$ 108,395
Total			635,616
HOME Programs (Apple Valley)			
Department	Project Title	Description	Amount
Housing	HOME Administration		\$ 36,655
Housing	Community Development Development Organization (CHDO)		\$ 29,699
Housing	Residential Rehabilitation Loan Program (RRLP)		\$ 170,694
Total			\$ 237,048
Victorville Funding HOME 2018-20			
Project Title	Description	Amount	
HOME Administration		\$ 16,856	
Housing	Community Housing Development Organization (CHDO)	\$ 50,568	
Housing	Senior Housing Repair Program (SHRP)	\$ 290,641	
Housing	VV HOME CHDO rehab, Northgate Village Apts	\$ 600,000	
Total	VV HOME Allocation	\$ 958,065	