

**TOWN OF
APPLE VALLEY, CALIFORNIA
AGENDA MATTER**

Subject Item:

FIVE YEAR CONSOLIDATED PLAN AMENDMENT, TO INCLUDE NEIGHBORHOOD STABILIZATION PROGRAM (NSP) FUNDS

Summary Statement:

Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA) (Public Law 110-289, approved July 30, 2008) appropriates \$3.92 billion for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties, and provides under a rule of construction that, unless HERA states otherwise, the grants are to be considered Community Development Block Grant (CDBG) funds. The grant program under Title III is referred to as the Neighborhood Stabilization Program (NSP). On Friday, September, 26, 2008, Town staff received notification from HUD that the Town of Apple Valley will receive approximately \$3,064,836. In order to receive these funds, the Town must prepare an additional action plan for the Neighborhood Stabilization Program (NSP) and amend its 2008-2009 Action Plan. The NSP action plan must be submitted to the U.S. Department of Housing and Urban Development (HUD) no later than December 1, 2008.

CONSOLIDATED PLAN SUMMARY - The Consolidated Plan is a comprehensive five-year strategy (2007-2012) 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 four Federal formula grant programs. It replaces the Comprehensive Housing Affordability Strategy (CHAS) and consolidates 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 the most recent addition of the Neighborhood Stabilization Program (NSP).

Recommended Action:

That the Town Council approve the proposed amendment to its 2008-2009 Action Plan to incorporate the Neighborhood Stabilization Program; and authorize and direct the Town Manager to execute any necessary contract related documents on behalf of the Town.

Proposed by: Economic Development & Housing Division Item Number _____

T. M. Approval: _____ Budgeted Item Yes No NA

Summary Statement - Continued

Public Hearing – Five-Year Consolidated Plan Amendment to Include HOME Funds

Page 2

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 Apple Valley/Victorville 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. In addition, a housing market analysis was completed that includes a review of housing; 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). An 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. The proposed amendment to the Consolidated Plan will add an additional Action Plan for the implementation of the Neighborhood Stabilization Program (NSP).

COMMUNITY DEVELOPMENT BLOCK GRANT/ (CDBG)/NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

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 expanding economic activities, principally for persons of low- and moderate-income. The Housing and Economic Recovery Act (HERA) provides \$3.92 billion in funds that are generally to be construed as CDBG program funds for CDBG entitlement communities to use for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties.

NEIGHBORHOOD STABILIZATION PROGRAM (NSP) PROJECT FUNDING

Proposed Funding: The Town expects to receive \$3,064,836 in Neighborhood Stabilization Program grant funds for FY 2008-2009 for the period beginning on or around January 15, 2009. Per HUD regulations, jurisdictions are required to use grant funds within 18 months of receipt.

Proposed Projects: Proposed Neighborhood Stabilization Program (NSP) activities are outlined below:

• Program Administration (10% Cap)	306,483
• NSP Down Payment Assistance	1,250,000
• Acquisition/Rehabilitation/New Construction for Multi-Residential Uses	1,508,353
• Program Allocation	<u>\$3, 064,836</u>

Amendment to the 2008-2009 Action Plan Neighborhood Stabilization Program (NSP)



Contact: Emily Wong, Assistant Director of Economic Development & Housing
Town of Apple Valley, Economic Development Department
14955 Dale Evans Parkway
Apple Valley, CA 92307
(760) 240-7000, Ext. 7900



TOWN OF APPLE VALLEY

2008 – 2009

Neighborhood Stabilization Program (NSP) SECOND-YEAR ACTION PLAN

Consolidated Submission of the HUD Housing and Community
Development Grant Programs

TOWN COUNCIL

TIMOTHY JASPER

Mayor

SCOTT NASSIF
Councilmember

RICK ROELLE
Councilmember



BOB SAGONA
Mayor Pro-Tem

PETER ALLAN
Councilmember

Frank W. Robinson

Town Manager

PREPARED BY:

Town of Apple Valley

Economic Development Department:

Kenneth J. Henderson, Director of Economic & Community Development

Emily Wong, Assistant Director of Economic Development & Housing

Cindy Amagrande, Housing & Community Development Specialist II

14955 Dale Evans Parkway

Apple Valley, CA 92307

(760) 240-7000 X 7900

E-Mail: development@applevalley.org • Web Site: www.applevalley.org

Table of Contents

Section	Page
Areas of Greatest Need.....	5
Distribution and Uses of Funds	6
Definitions and Descriptions	9
Low Income Targeting	10
Acquisitions and Relocation.....	10
Public Comment	10
NSP Information by Activity.....	11
Activity #1	11
Activity #1 Total Budget	12
Activity #1 Performance Measures.....	12
Activity #2	12
Activity #2 Total Budget	13
Activity #2 Performance Measures.....	13
Activity #3	14
Activity #3 Total Budget	14
Activity #3 Performance Measures.....	15

Exhibits

Exhibit 1	16
Exhibit 2	17
Exhibit 3	18
Exhibit 4.....	19
Exhibit 5.....	20

Appendices

SF 424 Forms.....	23
Certifications.....	26
NSP Substantial Amendment Checklist.....	28
Citizen Participation/Public Comments	32
Proof of Publication	33

NSP GRANT SUBMISSION TEMPLATE & CHECKLIST

NSP grant allocations can be requested by submitting a paper NSP Substantial Amendment or a form under the Disaster Recovery Grant Reporting (DRGR) system. This template sets forth the suggested format for grantees under the NSP Program. A complete submission contains the information requested below, including:

- (1) The NSP Substantial Amendment (attached below)
- (2) Signed and Dated Certifications (attached below)
- (3) Signed and Dated [SF-424](#).

Grantees should also attach a completed NSP Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): Town of Apple Valley <i>(identify lead entity in case of joint agreements)</i>	NSP Contact Person: Emily Wong
Jurisdiction Web Address: applevalley.org <i>(URL where NSP Substantial Amendment materials are posted)</i>	Address: 14955 Dale Evans Parkway, Apple Valley, CA 92307
	Telephone: (760) 240 7000 x 7900
	Fax (760) 240 7910
	Email: ewong@applevalley.org

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Response:

The Town of Apple Valley is located in the Riverside/San Bernardino Metropolitan Statistical Area (MSA), consisting of the two counties of Riverside and San Bernardino, also referred to as the Inland Empire. Since the foreclosure crisis became newsworthy in summer of 2007, this MSA, at one point, was the fourth most impacted area in the country. Located in San Bernardino County, Apple Valley is one of 24 incorporated cities in this county.

California is a non-judicial foreclosure state. The foreclosure process begins with a recorded Notice of Default (NOD) which is a public notification that the borrower has fallen behind in the monthly mortgage payments. If the default is not cured, or the loan renegotiated or replaced, the NOD is followed by a Notice of Trustee's Sale (NOTS) after a minimum of three months. The actual Trustee's Sale cannot occur less than 20 days after public notice. The Trustee's Sale is a public auction, at which time anyone may place a bid, including the lender and any junior lien holders. The foreclosure process may be stopped if the default is cured 5 days in advance of the sale date. If no one bids, and the foreclosure process was not stopped, title (ownership) of the property reverts to the lender as REO property (Real Estate Owned). The typical foreclosure process takes at least 117 days in California.

There were a total of 49,973 properties in both counties taken all the way through the foreclosure process in the MSA from July 1, 2007 through September 30, 2008 (29,607 in Riverside County and 20,366 in San Bernardino County). In relation to all housing units (as estimated by California Department of Finance, 2008), this represents a 3.42% foreclosure rate for the MSA (3.83% in Riverside County and 2.97% in San Bernardino County). This also corresponds to 1 in 29 homes becoming bank-owned during this period. The range of impacts on a city-by-city basis is from a low of 0.36% of all housing units in the City of Indian Wells to a high of 13.05% of all housing units in the City of Perris.

The HUD data also provides the following information:

- Estimated foreclosure/abandonment risk score (1 to 10 with 10 being the highest risk score (1 to 10 with 10 being the highest risk) – Apple Valley’s data ranged from 8 to 10.
- Rate of high cost loans (2004-2006) – Apple Valley data ranged from 22.9% to 46.4% with an average of 36.8%.
- Predicted 18 month underlying problem foreclosure rate – Apple Valley’s data ranged from 8.0% to 11.8%.
- Rate of housing price decline since the peak in the housing market (June 2008) – Apple Valley’s rate was -22.9%
- Unemployment rate (June 2008) – Apple Valley’s rate was 8.6%
- Residential vacancy rate (June 2008) - Apple Valley’s (USPS) rate ranged range from 1.8% to 11.1% with an average of 3.4%.

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. *Note: The grantee’s narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.*

Response:

The Town of Apple Valley will prioritize the use of the NSP funds by targeting the acquisition of foreclosed units in neighborhoods with the highest concentration of subprime mortgage loans and at the highest risk of additional foreclosures. These neighborhoods are evidenced through HUD-provided data and data from Fidelity Title Company on foreclosures that have occurred from July 2007 through September 2008. The data shows a broad distribution of foreclosed properties throughout the Town’s 12 census tracts. (Exhibit 1)

The Town will expend no less than 25% of the funds appropriated, or otherwise made available, for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of the area median income. In addition, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15% below market value for the home or property.

• **HMDA High Cost Loan Rate** – Federal Reserve Home Mortgage Disclosure Act (HMDA) data provides the percentage of all loans made between 2004 and 2006 that are high cost at the census tract level. The Town average HMDA High Cost Loan Rate is 37%. Of the 12 census tracts within the Town, six census tracts have a rate of 41% or above. By comparison, the San Bernardino County HMDA High Cost Loan Rate average is estimated at 33.3. The Town’s High Cost Mortgages are shown in Table 1 and Exhibit 2.

- **Predicted 18 Month Underlying Problem Foreclosure Rate** – This rate provides a score at the census tract level on a scale from 0 to 10. A score of 0 indicates that HUD data suggests a very low risk of residential properties that potentially will be foreclosed upon, whereas a score of 10 suggests a very high risk. The data identifies that 100% of the census tracts in Apple Valley have a high risk (score of 7 or greater) to be abandoned or foreclosed upon. The Town Predicted 18 Month Foreclosure Risk Score is shown in Table 2.

- **OFHEO CBSA Home Price Decline Since Peak** – Office of Federal Housing Enterprise Oversight (OFHEO) provides data on the decline in home values as of June 2008 compared to peak home value since 2000 at the county level. According to this data, home prices have dropped an average of 22.9 %.

- **Estimated Foreclosure Rate** – Provides a score at the census tract level of the estimated foreclosure rate. The Average Estimated Foreclosure Rate for Apple Valley is 10.3% compared to the Statewide Foreclosure Rate of 5.4% and the San Bernardino County Foreclosure Rate of 9.4%. Six of the twelve census tracts (Table 2) have Foreclosure Rates between 11.0% to 11.8%. Our initial targeted areas will be those neighborhoods that meet the above criteria in the Redevelopment Project Areas and the Low Income Census Tracts. The Town will emphasize the use of NSP funds within these six census tracts (Exhibit 3). In addition, the Town of Apple Valley anticipates forming a partnership with other jurisdictions in the Victor Valley to address continuum of care goals on a region-wide basis.

TABLE 1						
Tract	Estimated Number Foreclosures	Estimated Number Mortgages	Estimated Foreclosure Rate	Total Residential Addresses	Estimated Hi Cost Loan Rate	
009707	89	1,109	8.0%	2,459	22.9%	
009708	137	1,506	9.1%	1,864	31.3%	
009709	240	2,137	11.2%	2,579	42.8%	
009710	226	1,919	11.8%	1,993	46.4%	
009711	227	2,534	9.0%	3,265	28.8%	
009712	160	1,408	11.4%	2,173	44.0%	
009713	257	2,346	11.0%	2,326	41.3%	
009714	146	1,299	11.2%	1,295	42.9%	
009715	199	2,206	9.0%	2,966	29.2%	
009716	132	1,169	11.3%	2,731	43.1%	
009717	93	1,080	8.6%	1,454	26.5%	
012100	253	2,683	9.4%	4,551	32.7%	

TABLE 2

Tract	Block Group	Middle Low Mod Eligible	Estimated Foreclosure Abandonment Risk Score	HMDA Hi Cost Loan Rate	Predicted 18 Month Underlying Problem Foreclosure Rate
009709	1	YES	9	42.8%	11.2%
009709	2	YES	9	42.8%	11.2%
009709	3	YES	9	42.8%	11.2%
009710	1	YES	10	46.4%	11.8%
009710	2	YES	10	46.4%	11.8%
009710	3	YES	10	46.4%	11.8%
009712	4	NO	9	44.0%	11.4%
009712	1	YES	9	44.0%	11.4%
009712	2	YES	9	44.0%	11.4%
009712	3	YES	9	44.0%	11.4%
009712	4	YES	9	44.0%	11.4%
009712	5	YES	9	44.0%	11.4%
009713	2	NO	9	41.3%	11.0%
009713	4	YES	9	41.3%	11.0%
009713	1	YES	9	41.3%	11.0%
009713	2	YES	9	41.3%	11.0%
009713	3	YES	9	41.3%	11.0%
009713	4	YES	9	41.3%	11.0%
009714	1	YES	9	42.9%	11.2%
009714	2	NO	9	42.9%	11.2%
009714	3	YES	9	42.9%	11.2%
009716	1	NO	9	43.1%	11.2%
009716	1	YES	9	43.1%	11.2%
009716	2	YES	9	43.1%	11.2%
009716	3	YES	9	43.1%	11.2%

The funds will be used to fund two primary activities:

1. Down Payment Assistance Program
2. Acquisition/Rehabilitation/New Construction for Multi Residential Uses

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

The Town of Apple Valley utilizes the State of California’s definition of blight as found at California Health and Safety Code Sections 33030 - 33039 which are attached as Exhibit 4.

(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

“Affordable rents” shall be defined as 30% of the household’s adjusted income, less utility allowances as adopted by the San Bernardino County’s Housing Authority for the Section 8 program, as appropriate. Apple Valley will use HUD’s Fair Market Rent schedule for the Riverside/San Bernardino MSA. Should additional rent subsidies be needed, these funds will be required from other sources of funding.

“Affordable mortgage payments”-- principal, interest, taxes and insurance shall not exceed 30% of household’s adjusted income.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

Continued affordability for NSP assisted housing will be ensured through the use of covenants/deed restrictions or complying with HOME monitoring requirements, as applicable.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

The following standards will apply for all NSP rehabilitation assisted activities:

- California Building Code, 2007 Edition, volumes 1,2 with Appendix F,G,H,I,J
- 2006 International Property Maintenance code
- California Electrical Code, 2007 Edition
- California Electrical Code, 2007 Edition
- California Mechanical Code, 2007 Edition
- California Energy Code 2007 Edition
- ADA and Section 504 compliance

Any NSP funds used for rehabilitation will comply with the existing standards of the Town's Residential Rehabilitation Loan Program (RRLP), which has been previously funded from CDBG, HOME and redevelopment housing set-asides. The first priority will be to eliminate and cure pre-existing code violations and health and safety hazards. General property improvements may be addressed only after all health and safety issues are addressed.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$766,209.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

The Town of Apple Valley will target a minimum of 25% or \$766,209 for housing individuals or families whose incomes do not exceed 50 percent of area median income.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 80\%$ of area median income).

If so, include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

The Town of Apple Valley does not intend to demolish or convert any low- and moderate-income dwellings.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

An agenda item presented to Town Council on November 18, 2008 outlined the scope of the Neighborhood Stabilization Program (NSP) and the activities the Housing Division will implement to expend the funding. Apple Valley Town Council meetings are available for viewing via webcast streaming at www.applevalley.org. A public notice summarizing and making available the proposed NSP Action Plan for public comment was published in both the Daily Press (November 3, 2008) and Apple Valley News. (November 7, 2008). On November 3, 2008, the Community Development Citizens Advisory Committee met to provide citizen input. As of November 3, 2008, the NSP Action Plan will be circulated via the Town's website, with additional hard copies available at the Town Hall – Town Clerk's Office, Police Department and the Newton T. Bass Library. The proposed NSP Action Plan and corresponding amendment to the 2008-2009 Action Plan is scheduled for final Council review and approval on November 18, 2008.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

ACTIVITY #1

- (1) Activity Name: NSP Administration
- (2) Activity Type: Program Administration – 24 CFR 570.206
- (3) National Objective: N/A
- (4) Projected Start Date: Upon execution of NSP contract with the exception of eligible pre-award costs.
- (5) Projected End Date: 18 months from date of execution of the NSP contract.
- (6) Responsible Organization: Town of Apple Valley, 14955 Dale Evans Parkway, Apple Valley 92307, Administrator: Emily Wong
- (7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.) N/A
- (8) Activity Description:

Administrative funds will be used in conformance with 24 CFR 570.206. Eligible pre-award costs may be incurred in order to develop the NSP Plan and undertake other administrative actions necessary to receive the grant.

I. Total Budget: (Include public and private components)

\$306,483 (10% Cap)

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): N/A

ACTIVITY # 2

(1) Activity Name: NSP Down Payment Assistance

(2) Activity Type: 24 CFR 570.201(n) Homeownership Assistance

(3) National Objective: Benefit to low-and moderate-income families

For the purposes of NSP, the term “low- and moderate-income person” as it appears throughout the CDBG regulations at 24 CFR part 570 shall be defined as a member of a low-moderate-, and middle-income household, further defined as a household having an income equal to or less than 120% of adjusted median income.

(4) Projected Start Date: February 1, 2008

(5) Projected End Date: All funds will be used (obligated) no later than 18 months from the date of execution of the contract.

(6) Responsible Organization: Town of Apple Valley, 14955 Dale Evans Parkway, Apple Valley 92307, Administrator: Emily Wong

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

The NSP Down Payment Assistance Program will be implemented Town-wide with an emphasis on foreclosure properties located in the Town’s low income census tracts and redevelopment project areas (Census Tracts 97.09, 97.10, 97.12, 97.13, 97.14, 97.16). Although data indicates that the highest foreclosure rates (11.0%-11.8%) occurred in this target area, an estimated 46% of foreclosures also occurred outside the low income census tracts/redevelopment project areas and are spread out throughout the community. The overall foreclosure rate in Apple Valley is 10.3%.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

The Down Payment Assistance Program will provide down payment assistance, including closing costs, to income eligible households earning no greater than 120% of adjusted median income. The principal, interest, taxes and insurance will not exceed 30% of the household's adjusted median income. A 1% down payment is required of the household. The buyer will first secure a first mortgage with a fixed-rate, fully amortized, 30 year loan. The Town's assistance is in the form of a second mortgage loan at 0% interest rate, deferred and forgiven at the end of the term of the loan (30 years). If the property is sold, or the buyer ceases to occupy the residence, or the property is refinanced and cash is taken out, the loan will become immediately due and payable. Affordability covenants meeting, at a minimum, requirements set by HOME regulations will be placed on all properties participating in this program. All home buyers will attend an 8 hour home buyer education workshop prior to loan funding. In addition, the average purchase discount for all properties purchased with NSP funds for this program during the 18-month use period shall be at least 15%.

I. Total Budget: (Include public and private components)

\$1,250,000

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

The Town of Apple Valley will target the following percentages of funds towards the following household income categories:

25% - 50% or less of adjusted median income

65% - 51-80% of adjusted median income

10% - 81-120% of adjusted median income

Due to fluctuating conditions in the housing price market, it is difficult to project the total number of units that will be acquired for the benefit of each income category at this time. An overall estimate of units to be acquired is between 24 and 28 units.

ACTIVITY #3

(1) Activity Name: Acquisition/Rehabilitation/New Construction for Multi-Residential Uses

(2) Activity Type: Acquisition Activities 24 CFR 570.201(a)
Rehabilitation Activities 24 CFR 570.202
New Construction Activities HERA-NSP H. Eligible and Allowable Costs (3)(c)

(3) National Objective: Benefit to low-and moderate-income families

For the purposes of NSP, the term “low- and moderate-income person” as it appears throughout the CDBG regulations at 24 CFR part 570 shall be defined as a member of a low-moderate-, and middle-income household, further defined as a household having an income equal to or less than 120% of adjusted median income.

(4) Projected Start Date: Upon execution of NSP contract.

(5) Projected End Date: Within 18 months of execution of contract.

(6) Responsible Organization: Town of Apple Valley, 14955 Dale Evans Parkway, Apple Valley 92307, Administrator: Emily Wong

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Properties may be located Town-wide with a focused effort to address properties in low income census tracts and redevelopment project areas.

(8) Activity Description: Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Funds will be used to finance, acquire, rehabilitate or provide new construction on vacant foreclosed properties for the purposes of providing multi-residential rental or homeownership opportunities. Funds may be used for a variety of purposes to include acquisition of land for future development of multi-residential housing acquisition/rehabilitation for use as transitional housing facilities, and acquisition/construction of incomplete residential projects. Furthermore, the Town of Apple Valley intends to utilize funds for potential acquisition, rehabilitation, new construction or completion of new construction for the purposes of rental to income eligible households, or rental to income eligible households in a rent-to-own plan, or direct sale to income eligible households or direct homeownership assistance. Apple Valley may partner with non-profit developers and will endeavor to participate in joint regional partnerships in the area of transitional housing. Affordability covenants meeting, at a minimum, requirements set by HOME regulations will be placed on all properties participating in this program. The average

purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15%.

I. Total Budget: (Include public and private components) \$1,508,353

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): N/A

The Town of Apple Valley will target the following percentages of funds towards the following household income categories:

25% - 50% or less of adjusted median income

60% - 51-80% of adjusted median income

15% - 81-120% of adjusted median income

Due to the fluctuating conditions in the housing price market, it is difficult to project the total number of units that will be acquired, rehabilitated or constructed for the benefit of each income category at this time.

Town of Apple Valley

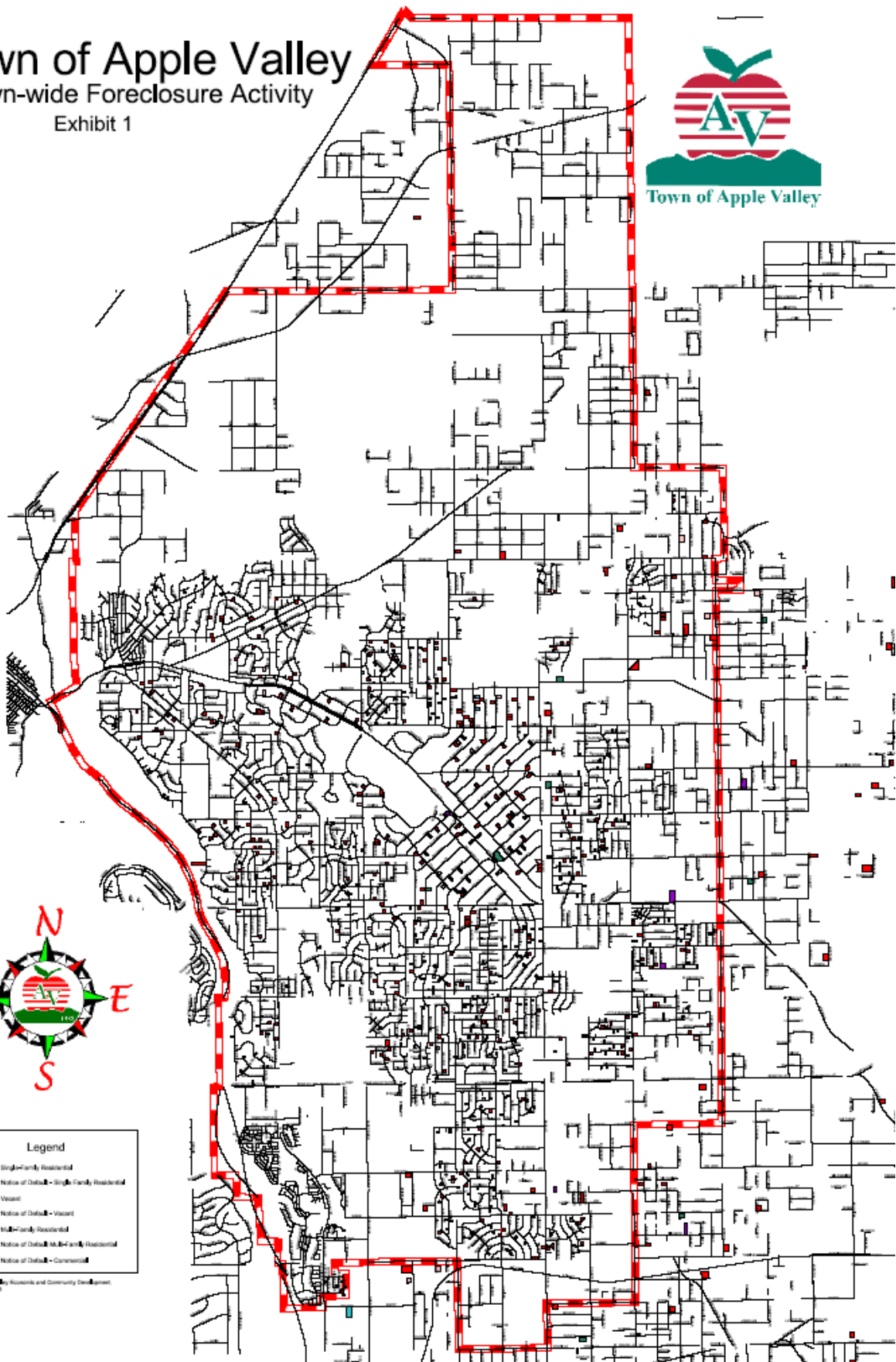
Town-wide Foreclosure Activity

Exhibit 1



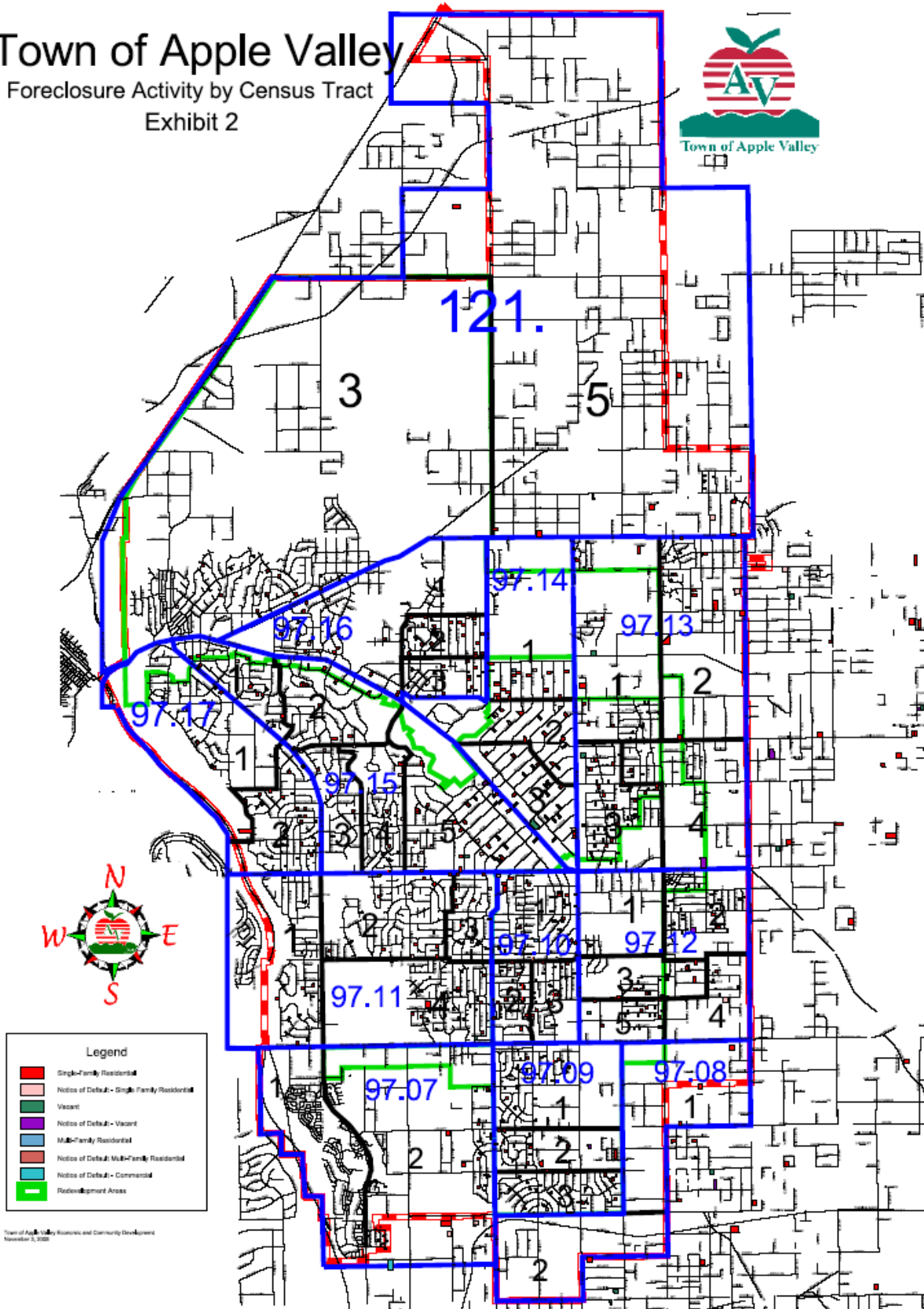
Legend	
	Single-Family Residential
	Notice of Default - Single-Family Residential
	Vacant
	Notice of Default - Vacant
	Multifamily Residential
	Notice of Default - Multifamily Residential
	Notice of Default - Commercial

Town of Apple Valley Planning and Community Development
November 3, 2020



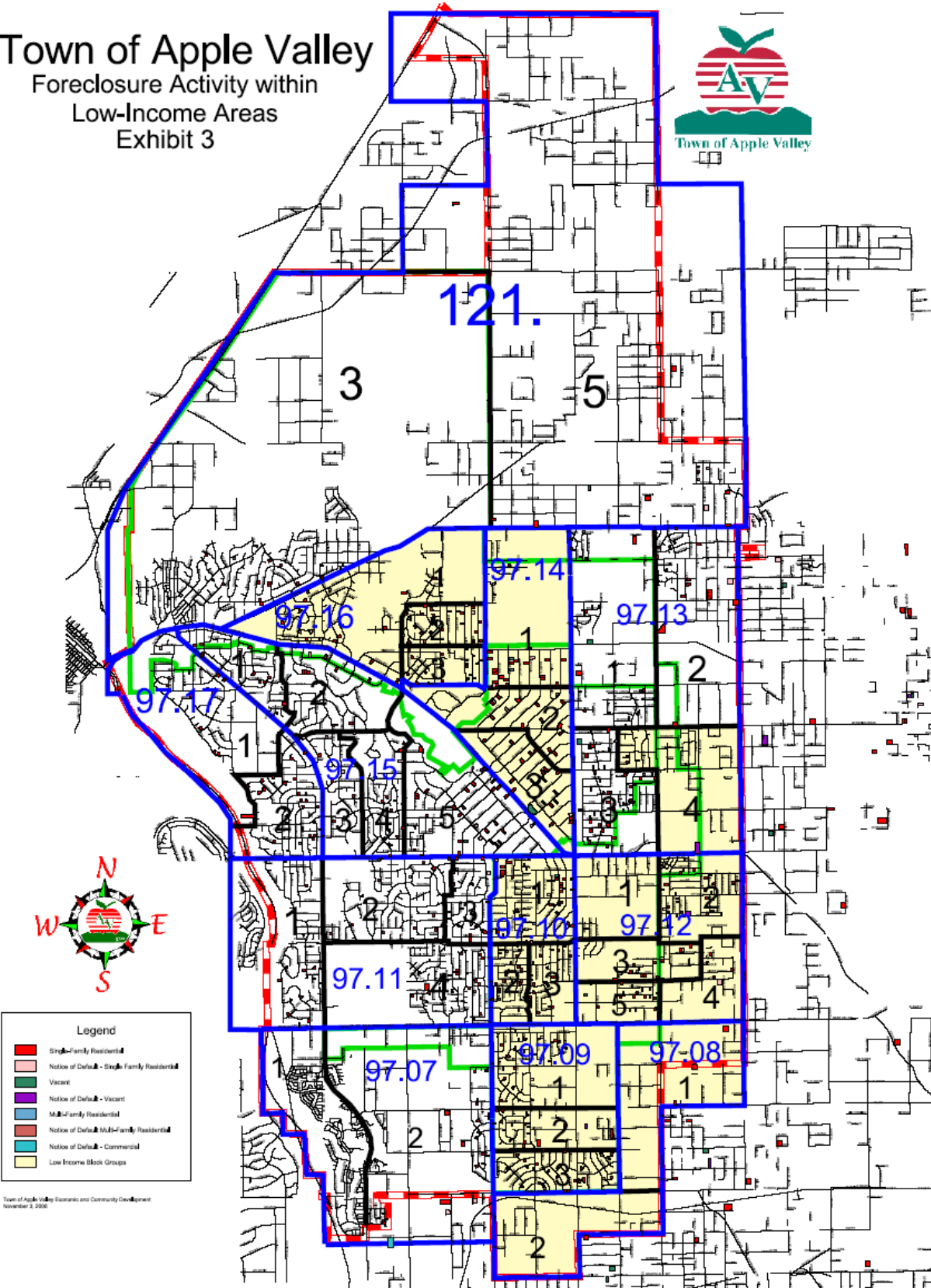
Town of Apple Valley

Foreclosure Activity by Census Tract
Exhibit 2



Town of Apple Valley

Foreclosure Activity within
Low-Income Areas
Exhibit 3



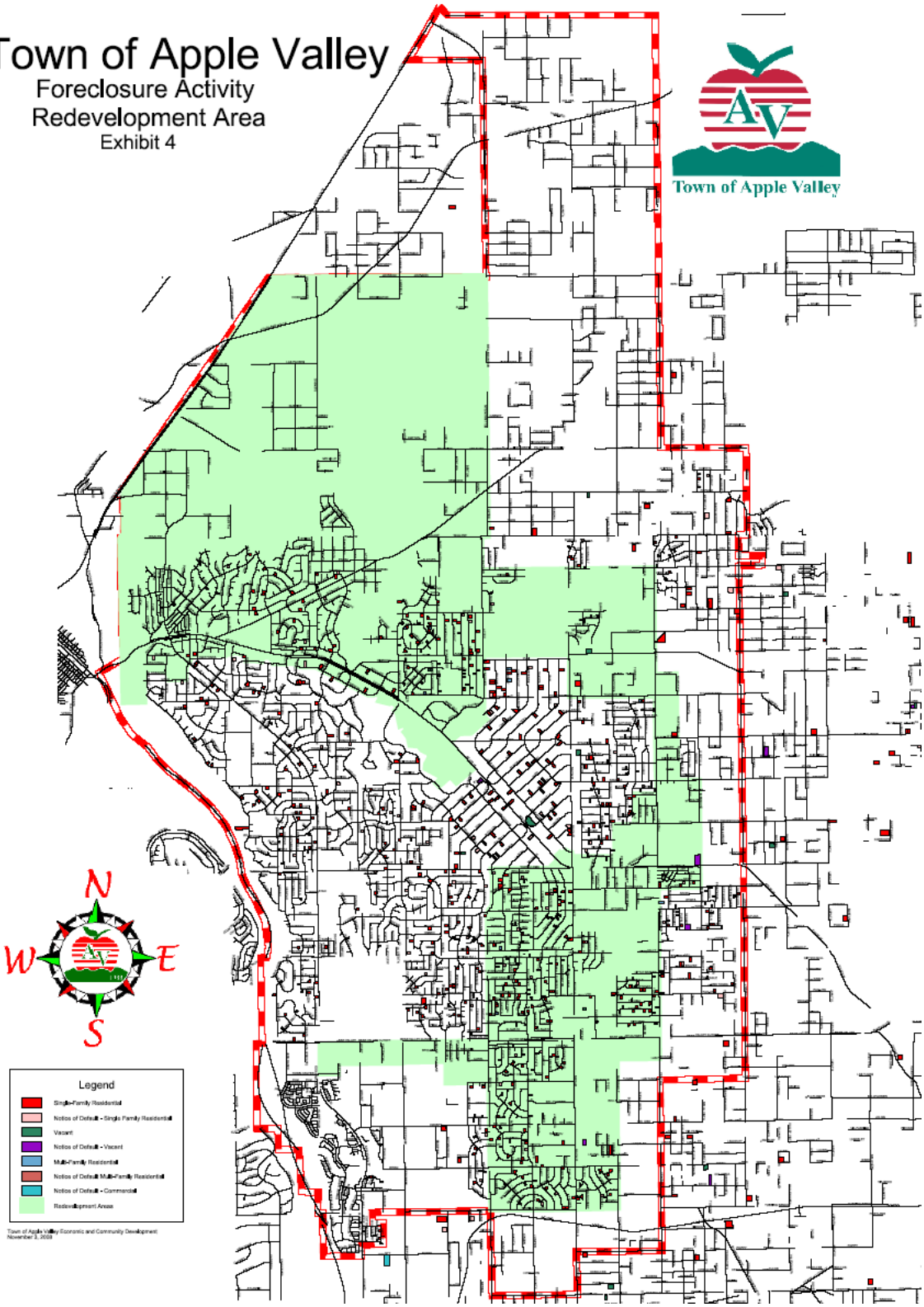
Legend

	Single-Family Residential
	Notice of Default - Single Family Residential
	Vacant
	Notice of Default - Vacant
	Multi-Family Residential
	Notice of Default - Multi-Family Residential
	Notice of Default - Commercial
	Low Income Block Groups

Town of Apple Valley Economic and Community Development
November 3, 2008

Town of Apple Valley

Foreclosure Activity
Redevelopment Area
Exhibit 4



Town of Apple Valley Economic and Community Development
November 3, 2008

EXHIBIT 5

CALIFORNIA CODES
HEALTH AND **SAFETY CODE**
SECTION **33030-33039**

33030. (a) It is found and declared that there exist in many communities blighted areas that constitute physical and economic liabilities, requiring redevelopment in the interest of the health, **safety**, and general welfare of the people of these communities and of the state.

(b) A blighted area is one that contains both of the following:

(1) An area that is predominantly urbanized, as that term is defined in Section 33320.1, and is an area in which the combination of conditions set forth in Section 33031 is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment.

(2) An area that is characterized by one or more conditions set forth in any paragraph of subdivision (a) of Section 33031 and one or more conditions set forth in any paragraph of subdivision (b) of Section 33031.

(c) A blighted area that contains the conditions described in subdivision (b) may also be characterized by the existence of inadequate public improvements or inadequate water or sewer utilities.

33031. (a) This subdivision describes physical conditions that cause blight:

(1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building **code** violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.

(2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.

(3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.

(4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

(b) This subdivision describes economic conditions that cause blight:

(1) Depreciated or stagnant property values.

(2) Impaired property values, due in significant part, to hazardous wastes on property where the agency may be eligible to use its authority as specified in Article 12.5 (commencing with Section 33459).

(3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.

(4) A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.

(5) Serious residential overcrowding that has resulted in significant public health or **safety** problems. As used in this paragraph, "overcrowding" means exceeding the standard referenced in Article 5 (commencing with Section 32) of Chapter 1 of Title 25 of the California **Code** of Regulations.

(6) An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, **safety**, or welfare problems.

(7) A high crime rate that constitutes a serious threat to the public **safety** and welfare.

33035. It is further found and declared that:

(a) The existence of blighted areas characterized by any or all of such conditions constitutes a serious and growing menace which is condemned as injurious and inimical to the public health, **safety**, and welfare of the people of the communities in which they exist and of the people of the State.

(b) Such blighted areas present difficulties and handicaps which are beyond remedy and control solely by regulatory processes in the exercise of police power.

(c) They contribute substantially and increasingly to the problems of, and necessitate excessive and disproportionate expenditures for, crime prevention, correction, prosecution, and punishment, the treatment of juvenile delinquency, the preservation of the public health and **safety**, and the maintaining of adequate police, fire, and accident protection and other public services and facilities.

(d) This menace is becoming increasingly direct and substantial in its significance and effect.

(e) The benefits which will result from the remedying of such conditions and the redevelopment of blighted areas will accrue to all the inhabitants and property owners of the communities in which they exist.

33036. It is further found and declared that:

(a) Such conditions of blight tend to further obsolescence, deterioration, and disuse because of the lack of incentive to the individual landowner and his inability to improve, modernize, or rehabilitate his property while the condition of the neighboring properties remains unchanged.

(b) As a consequence the process of deterioration of a blighted area frequently cannot be halted or corrected except by redeveloping the entire area, or substantial portions of it.

(c) Such conditions of blight are chiefly found in areas subdivided into small parcels, held in divided and widely scattered ownerships, frequently under defective titles, and in many such instances the private assembly of the land in blighted areas for redevelopment is so difficult and costly that it is uneconomic and as a practical matter impossible for owners to undertake because of lack of the legal power and excessive costs.

(d) The remedying of such conditions may require the public acquisition at fair prices of adequate areas, the clearance of the areas through demolition of existing obsolete, inadequate, unsafe, and insanitary buildings, and the redevelopment of the areas

suffering from such conditions under proper supervision, with appropriate planning, and continuing land use and construction policies.

33037. For these reasons it is declared to be the policy of the State:

(a) To protect and promote the sound development and redevelopment of blighted areas and the general welfare of the inhabitants of the communities in which they exist by remedying such injurious conditions through the employment of all appropriate means.

(b) That whenever the redevelopment of blighted areas cannot be accomplished by private enterprise alone, without public participation and assistance in the acquisition of land, in planning and in the financing of land assembly, in the work of clearance, and in the making of improvements necessary therefor, it is in the public interest to employ the power of eminent domain, to advance or expend public funds for these purposes, and to provide a means by which blighted areas may be redeveloped or rehabilitated.

(c) That the redevelopment of blighted areas and the provisions for appropriate continuing land use and construction policies in them constitute public uses and purposes for which public money may be advanced or expended and private property acquired, and are governmental functions of state concern in the interest of health, **safety**, and welfare of the people of the State and of the communities in which the areas exist.

(d) That the necessity in the public interest for the provisions of this part is declared to be a matter of legislative determination.

33038. It is found and declared that blighted areas may include housing areas constructed as temporary government-owned wartime housing projects, and that such areas may be characterized by one or more of the conditions enumerated in Sections 33031 to 33034, inclusive.

33039. The Legislature of the State of California recognizes that among the principal causes of slum and blighted residential areas are the following factors:

(a) Inadequate enforcement of health, building, and **safety** laws.

(b) The fact that the limited financial resources of many human beings who inhabit them make only this type of housing available to such persons.

(c) Racial discrimination against persons of certain groups in seeking housing.

(d) The neglect of absentee landlords.

It is, therefore, declared to be the public policy of this State that, in order to cope with the problems of the rehabilitation of slum or blighted areas, these factors shall be taken into consideration in any rehabilitation or redevelopment program. It is further declared to be the public policy of this State that such rehabilitation or redevelopment programs shall not be undertaken and operated in such a manner as to exchange new slums for old slums or as to congest individuals from one slum to another slum.

ASSURANCES - NON-CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

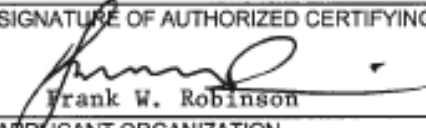
1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

Previous Edition Usable

Authorized for Local Reproduction

Standard Form 424B (Rev. 7-97)
Prescribed by OMB Circular A-102

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (Identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  Frank W. Robinson	TITLE Town Manager
APPLICANT ORGANIZATION Town of Apple Valley	DATE SUBMITTED November 21, 2008

Standard Form 424B (Rev. 7-97) Back

APPLICATION FOR FEDERAL ASSISTANCE

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED November 21, 2008	Applicant Identifier B-08-MC-06-0586
<input type="checkbox"/> Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	3. DATE RECEIVED BY STATE		State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name: Town of Apple Valley		Organizational Unit: Department: Economic Development Department	
Organizational DUNS: 622215218		Division: Housing	
Address: Street: 14955 Dale Evans Parkway		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Apple Valley		Prefix: Ms.	First Name: Emily
County: San Bernardino		Middle Name	
State: CA		Last Name Wong	
Zip Code 92307	Suffix:		
Country: United States		Email: ewong@applevalley.org	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 33-0338303		Phone Number (give area code) 760 240 7000 x 7900	Fax Number (give area code) 760 240 7910
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input type="checkbox"/> Continuation <input checked="" type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> A <input type="checkbox"/>		7. TYPE OF APPLICANT: (See back of form for Application Types) Municipal Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Neighborhood Stabilization Program 14-218		9. NAME OF FEDERAL AGENCY: Housing and Urban Development (HUD)	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Town of Apple Valley		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Neighborhood Stabilization Program	
13. PROPOSED PROJECT Start Date: 1/15/2009 Ending Date: 7/30/2010		14. CONGRESSIONAL DISTRICTS OF: a. Applicant 40th b. Project 40th	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 3,064,836 ⁰⁰	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:	
b. Applicant	\$ ⁰⁰	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$ ⁰⁰	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$ ⁰⁰		
e. Other	\$ ⁰⁰		
f. Program Income	\$ ⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
g. TOTAL	\$ ⁰⁰	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix Mr.	First Name Frank	Middle Name W.	
Last Name Robinson		Suffix	
b. Title Town Manager		c. Telephone Number (give area code) 760 240 7000 x 7051	
d. Signature of Authorized Representative 		e. Date Signed November 21, 2008	

Previous Edition Usable
Authorized for Local Reproduction

Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

CERTIFICATIONS

(1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.

(5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.

(6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

(9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.

(10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by

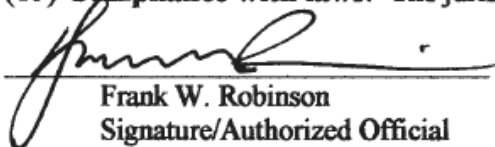
assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.


Frank W. Robinson
Signature/Authorized Official

November 21, 2008
Date

Town Manager
Title

NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): <u>Town of Apple Valley</u> Lead Agency Jurisdiction Web Address: <u>applevalley.org</u> (URL where NSP Substantial Amendment materials are posted)	NSP Contact Person: <u>Emily Wong</u> Address: <u>14955 Dale Evans Parkway</u> <u>Apple Valley, CA 92307</u> Telephone: <u>760 240 7000 x 7900</u> Fax: <u>760 240 7910</u> Email: <u>ewong@applevalley.org</u>
---	--

The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction?

Yes No . Verification found on page 5 and 18.

B. DISTRIBUTION AND USES OF FUNDS

Does the submission contain a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes No . Verification found on page 6, 16 and 18.

Note: The grantee's narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

C. DEFINITIONS AND DESCRIPTIONS

For the purposes of the NSP, do the narratives include:

- a definition of "blighted structure" in the context of state or local law,
Yes No . Verification found on page 9 and 19.
- a definition of "affordable rents,"
Yes No . Verification found on page 9.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,
Yes No . Verification found on page 9.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?

Yes No . Verification found on page 9 and 10.

D. INFORMATION BY ACTIVITY

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes No . Verification found on page 11.
- correlated eligible activity under CDBG,
Yes No . Verification found on page 11, 12 and 14.
- the areas of greatest need addressed by the activity or activities,
Yes No . Verification found on page 6, 7, 8 and 18.
- expected benefit to income-qualified persons or households or areas,
Yes No . Verification found on page 13.
- appropriate performance measures for the activity,
Yes No . Verification found on page 13.
- amount of funds budgeted for the activity,
Yes No . Verification found on page 12, 13, and 15.
- the name, location and contact information for the entity that will carry out the activity,
Yes No . Verification found on page 5, 12, and 24.
- expected start and end dates of the activity?
Yes No . Verification found on page 11.

E. SPECIFIC ACTIVITY REQUIREMENTS

Does each activity narrative describe the general terms under which assistance will be provided, including:

If the activity includes acquisition of real property,

- the discount required for acquisition of foreclosed upon properties,
Yes No . Verification found on page 13 and 14.

If the activity provides financing,

- the range of interest rates (if any),
Yes No . Verification found on page 13

If the activity provides housing,

- duration or term of assistance,
Yes No . Verification found on page 13.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on page 13.
- does it ensure continued affordability?
Yes No . Verification found on page 13 and 14.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page 6 and 10.

F. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page 10, 13, and 15.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page 10, 13, and 15.
Amount budgeted = \$766,209

G. DEMOLISHMENT OR CONVERSION OF LOW- AND MODERATE-INCOME UNITS

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes No . (If no, continue to next heading)
Verification found on page ____.

Does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
Yes No . Verification found on page ____.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?
Yes No . Verification found on page ____.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?

Yes No . Verification found on page _____.

H. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes No . Verification found on page _____.

Is there a summary of citizen comments included in the final amendment?

Yes No Verification found on page: Citizen Comments will be included at end of comment period.

I. WEBSITE PUBLICATION

The following Documents are available on the grantee's website:

- SF 424 Yes No .
- Proposed NSP Substantial Amendment Yes No .
- Final NSP Substantial Amendment Yes No .
- Subsequent NSP Amendments Yes No .

Website URL: applevalley.org

K. CERTIFICATIONS

The following certifications are complete and accurate:

- | | | |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds ≤ 120 of AMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

Citizen Participation/Public Comments

No comments have been received.

Proof of Publication

TOWN OF APPLE VALLEY

FIVE-YEAR CONSOLIDATED PLAN AMENDMENT FOR FISCAL YEAR 2007- 2012

Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA) (Public Law 110-289, approved July 30, 2008) appropriates \$3.92 billion for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties, and provides under a rule of construction, that unless HERA states otherwise, the grants are to be considered Community Development Block Grant (CDBG) funds. The grant program under Title III is referred to as the Neighborhood Stabilization Program (NSP). On Friday, September, 26, 2008, Town staff received notification from HUD that the Town of Apple Valley will receive approximately \$3,064,836. In order to receive these funds, the Town must prepare an additional action plan for the Neighborhood Stabilization Program (NSP) and amend the 2008-2009 Action Plan. The NSP action plan must be submitted to the U.S. Department of Housing and Urban Development (HUD) no later than December 1, 2008.

CONSOLIDATED PLAN SUMMARY - The Consolidated Plan is a comprehensive five-year strategy (2007-2012) 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 four Federal formula grant programs. It replaces the Comprehensive Housing Affordability Strategy (CHAS) and consolidates the applications for the Community Development Block Grant (CDBG), Home Investment Partnerships Act (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) and the most recent addition of 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. In addition, a housing market analysis was completed that includes a review of housing; 2). Based on this information, a five-year strategic plan was developed that 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). An 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. The proposed amendment to the Consolidated Plan will add an additional Action Plan for the implementation of the Neighborhood Stabilization Program (NSP).

FEDERAL GRANT PROGRAM DESCRIPTIONS

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) / NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

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 expanding economic activities, principally for persons of low- and moderate-income. The Housing and Economic Recovery Act (HERA) provides \$3.92 billion in funds that are generally to be construed as CDBG program funds for CDBG entitlement communities to use for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties.

NEIGHBORHOOD STABILIZATION PROGRAM (NSP) PROJECT FUNDING

Proposed Funding: The Town expects to receive \$3,064,836 in Neighborhood Stabilization Program grant funds for FY 2008-2009 for the period beginning on or around January 15, 2009. Per HUD regulations jurisdictions are required to use grant funds within 18 months of receipt.

• Program Administration (10% Cap)	306,483
• NSP Down Payment Assistance	1,250,000
• Acquisition/Rehabilitation/New Construction for Multi-Residential Uses	1,508,353
• Program Allocation	<u>\$3,064,836</u>

Document Availability: At this time, the Town has developed a draft amendment to the Five-year Consolidated Plan for fiscal year 2007- 2012. This document will be available for public review and comment from November 3, 2008 – November 18, 2008 at the following locations:

- Apple Valley Library: 14901 Dale Evans Parkway
- Town of Apple Valley Economic Development Dept.: 14955 Dale Evans Pkwy.
- Town of Apple Valley Town Clerk's Office: 14955 Dale Evans Pkwy
- Website: www.applevalley.org

CITIZEN PARTICIPATION PLAN - The Town of Apple Valley is required to adopt a Citizen Participation Plan that sets forth policies and procedures for citizen participation with regard to U.S. Department of Housing and Urban Development (HUD) grant/entitlement programs. The Town's Citizen Participation Plan has been adopted in conformance with the provisions of the Consolidated Submission Final Rule Section 91.105. Copies of the adopted Citizen Participation Plan are available for review at the same locations specified above for the Consolidated Plan.

Questions concerning this notice can be answered by contacting Cindy Amagrande at the Town of Apple Valley Economic Development Department (760) 240-7000 extension 7900.

Published as follows:

Daily Press: November 3, 2008
Apple Valley News: November 7, 2008

Public Notice Published in the Daily Press November 3, 2008

(To be inserted when Proof of Publication is received)

Public Notice Published in the Apple Valley News November 7, 2008

(Insert proof upon publication)