

**TOWN OF  
APPLE VALLEY, CALIFORNIA**

**AGENDA MATTER**

**Subject Item:**

**FIVE YEAR CONSOLIDATED PLAN AMENDMENT, TO INCLUDE COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY (CDBG-R) PROGRAM FUNDS**

**Summary Statement:**

Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111-005, approved February 17, 2009) appropriates \$1 billion to carry out on an expedited basis the CDBG program under Title I of the Housing and Community Development Act of 1974 on an expedited basis. The primary purpose of this funding is to stimulate the economy through measures that modernize infrastructure, improve energy efficiency, and expand educational opportunities and access to health care. Furthermore, the U.S. Department of Housing and Urban Development (HUD) encourages grantees to use Community Development Block Grant Recovery (CDBG-R) funds for hard development costs associated with infrastructure activities that provide basic services to residents or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings. U.S. Department of Housing and Urban Development (HUD) regulations further state that no more than 10 percent of Community Development Block Grant Recovery (CDBG-R) funds shall be expended for eligible planning and general administrative activities.

Town staff received notification from the U.S. Department of Housing and Urban Development (HUD) that the Town of Apple Valley will receive approximately \$171,318. In order to receive these funds, the Town must prepare an additional action plan for the Community Development Block Grant Recovery (CDBG-R) and amend its 2008-2009 Action Plan. The Community Development Block Grant Recovery (CDBG-R) action plan must be submitted to the U.S. Department of Housing and Urban Development (HUD) no later than June 5, 2009.

**Recommended Action:**

1. Open public hearing.
2. Close public hearing.
3. That the Town Council approve the substantial Amendment to the 2008-2009 Action Plan to incorporate the Community Development Block Grant Recovery (CDBG-R) Program, and authorize and direct the Town Manager to execute any necessary contract related documents on behalf of the Town.

**Proposed by:** Housing Section, Economic & Community Dev. Item Number \_\_\_\_\_

**T. M. Approval:** \_\_\_\_\_ Budgeted Item  Yes  No  NA

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**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 Community Development Block Grant Recovery (CDBG-R) Program.

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 Community Development Block Grant Recovery (CDBG-R) Program.

**COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY (CDBG-R) PROGRAM**

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, suitable living environments and expanded economic activities, principally for persons of low- and moderate-income. The American Recovery and Reinvestment Act of 2009 provides \$1 billion in funds that are generally to be construed as CDBG program funds for CDBG entitlement communities to use for hard development costs associated with infrastructure activities that provide basic services to residents, or activities that promote energy efficiency and conservation through rehabilitation or retrofitting of existing buildings.

Staff proposes to implement an energy efficiency program to assist Apple Valley's senior citizen population. Utility costs pose special challenges and hardships for low and moderate-income seniors because they cannot afford to make repairs to their homes that prove to be of an energy efficient nature and they continue to experience financial hardship as they try to pay higher utility bills due to lack of energy efficiency. The Senior Residential Energy Efficiency Grant Program directly meets the intent for the use of CDBG-R funds by promoting energy efficiency while assisting those most impacted by the economic recession.

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The Senior Residential Energy Efficiency Grant Program will provide grants of up to \$10,000 to assist eligible low to moderate-income senior, single-family homeowners in installing energy efficient improvements that will reduce utility costs and conserve energy, such as attic/ceiling insulation, water heater blanket, caulking, weather striping, door and window replacement, water heater replacement, energy efficient water devices, heating/cooling/evaporative systems/duct work and solar panels.

Pursuant to the HUD Community Development Block Grant Recovery (CDBG-R) Webcast on May 13, 2009, HUD has not issued a final ruling as to whether or not Davis Bacon (prevailing wage) requirements will be triggered for CDBG-R funded homeowner improvement projects. If HUD determines Davis Bacon applies for this \$10,000 grant project, it would be infeasible to administer a project of this nature.

In the event HUD determines Davis Bacon is applicable for the above-mentioned project, staff proposes an alternate project; the Corwin Road Widening Project. The project includes reconstructing and widening an existing paved, two-lane, 24' wide street with 14' graded shoulders to 44' wide paved street with 4' wide graded shoulders. The additional pavement width will provide two through travel lanes, one continuous left turn lane and two 4' wide, Class II bike lanes. The limits of the project, which are within the CDBG target area boundaries, are from State Route Highway 18 to Waalew Road, approximately 2.8 miles in length.

Corwin Road is designated on the Town's Circulation Element as a "Major Road" which will ultimately be a 5-lane road. This interim construction phase will not only facilitate the movement of traffic from State Route Highway 18 to the Apple Valley Airport located northeast of this project but will enhance traffic safety to the residents living along this segment of the proposed project with the construction of a turn lane. These factors will promote the long-term economic benefits for both the local residents and others who will utilize this improved major road.

Based upon the foregoing, and after the closure of the public hearing, staff recommends adoption of the form motion.

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**COMMUNITY DEVELOPMENT BLOCK GRANT RRECOVERY (CDBG-R) PROGRAM FUNDING**

**Proposed Funding:** The Town expects to receive \$171,318 in Community Development Block Grant (CDBG-R) Program grant funds for FY 2008-2009 for the period beginning on or around July 5, 2009. Per HUD regulations, jurisdictions must expend the entire allocation of Community Development Block Grant Recovery (CDBG-R) funds by September 30, 2012.

**Proposed Projects:** Proposed Community Development Block Grant Recovery (CDBG-R) activities are outlined below:

• Program Administration: 10% Cap	17,131.80
• Senior Residential Energy Efficiency Grant Program	154,186.20
• Program Allocation	<u>\$171,318.00</u>
<b>Or</b>	
• Program Administration: 10% Cap	17,131.80
• Corwin Road Widening Project	154,186.20
• Program Allocation	<u>\$171,318.00</u>