

**TOWN OF  
APPLE VALLEY, CALIFORNIA**

**AGENDA MATTER**

**Subject Item:**

**FINAL PUBLIC HEARING - CONSOLIDATED PLAN FIFTH-YEAR ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND THE HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAMS FOR FISCAL YEAR 2011-2012.**

**Summary Statement:**

The purpose of this public hearing is to receive final comments on the proposed 2011/2012 Community Development Block Grant Program and the Home Investment Partnerships Program.

The draft Fifth-Year Action Plan has been developed for Fiscal Year 2011-2012. The purpose of this public hearing is to solicit public comment from interested citizens, public agencies, and other interested parties, regarding the proposed use of federal funds in the preparation of the Town's Consolidated Plan – Fifth-Year Action Plan. Once the Town Council takes action, the Plan will be submitted to the U.S. Department of Housing and Urban Development (HUD) for final approval.

The Town of Apple Valley participates in a consortium with the City of Victorville in order to meet the threshold of obtaining Home Investment Partnerships Program (HOME) entitlement status with the U.S. Department of Housing and Urban Development (HUD). The successful formation of the consortium has resulted in an annual allocation of HOME funds to both communities. The consortium identifies the Town of Apple Valley as the lead agency and the City of Victorville as a participating jurisdiction.

**CONSOLIDATED PLAN SUMMARY** - The Amended 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.

**Recommended Action:**

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1. Open public hearing.
2. Close public hearing.
3. That the Town Council approve the Community Development Citizen Advisory Committee recommendations for funding proposed projects under the 2011/2012 CDBG and HOME programs as part of the Town's Fifth-Year Action Plan, which is an integral component of the Consolidated Plan; approve the draft Action Plan and authorize the Town Manager to execute all necessary HUD documents on behalf of the Town.

**Proposed by:** Emily Wong, Asst. Dir of Economic Development Item Number \_\_\_\_\_

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

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The Consolidated Plan combines the application and reporting requirements for five Federal formula grant programs. It replaced the Comprehensive Housing Affordability Strategy (CHAS) and consolidated the 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, most recently, 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. 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.

**FEDERAL GRANT PROGRAM DESCRIPTIONS**

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

The Federal Housing and Community Development Act of 1974, as amended, provides Federal Community Development Block Grant funds for projects that promote the development of viable, urban communities by providing decent housing and suitable living environments and expanded economic activities, principally for persons of low- and moderate-income.

**CDBG ANNUAL PROJECT FUNDING**

The public notice, as required by HUD, appeared in the Apple Valley News on April 8, 2011. As a final allocation from HUD for the CDBG program had not been received by that date, funding amounts as indicated in this Council report are based on estimates provided by HUD officials and represent an estimated 16.2% cut in CDBG funds. These amounts differ from the amounts published on April 8, 2011.

The Town expects to receive an allocation of approximately \$575,087 in CDBG grant funds for the period beginning July 1, 2011 and ending June 30, 2012. In addition, a carry-over balance from fiscal year 2009-2010 of \$11,478.88 brings the proposed total to \$586,565.88

**Proposed Projects:** The Town received a total of 14 CDBG applications this year. The Community Development Citizen Advisory Committee met to review the proposal applications and make recommendations for funding. A summary of the Committee's recommendations for the 2011-2012 CDBG program is provided below. Proposed projects administered directly by the Town will include Civic Center Park/Aquatic Center Shade Structure/Amenity Project, James Woody Park Security Enhancement Project, Village Neighborhood Road Improvement

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Project (Phase 3 of 4) and CDBG Program Administration. Any reduction in CDBG funds will require an adjustment to the Town’s Civic Center Park/Aquatic Center Shade Structure and Amenity Project in order to allow for complete funding of the James Woody Park Security Enhancement Project.

The Town’s Community Development Citizen’s Advisory Committee (CDCAC) voted (1) To recommend approval of the following projects for fiscal year 2011-2012 for incorporation into the draft Five Year Consolidated Plan – Fifth-Year Action Plan; (2) The CDCAC recommends approval of all Town administered projects and HOME activities. (3) Since the amount of the 2011-2012 HUD allocation was unknown when the CDCAC met, the Committee decided that any overage or reduction in funds would be allocated proportionately among the funded activities. Public service projects comprise 15% (\$86,263) of the proposed Fifth-Year allocation, the maximum amount allowable pursuant to CDBG regulations. A total of 9 public service projects are recommended for funding.

**Proposed Projects/Proposed CDBG projects for 2010-2011 are outlined below:**

<b>CDBG Funding Recommendations</b>	
High Desert Homeless Services	10,716
Victor Valley Domestic Violence	0
St. John of God Health Care Services	6,429
Apple Valley Christian Care Center	0
Apple Valley Police Activities League	16,074
Catholic Charities	10,716
Assistance League of Victor Valley	10,716
Inland Fair Housing Mediation Board/Fair Housing	11,788
Inland Fair Housing Mediation Board/Landlord Tenant	7,500
Moses House Ministries	0
One 2 One Mentors, Inc.	0
San Bernardino County Library	4,287
Victor Valley Community Hospital	0
Victor Valley Community Services Council	8,037
<b>Total Available for Public Service Requests</b>	<b>\$86,263</b>
<b>Town Administered Projects</b>	
Civic Center Park/Aquatic Center Shade Structure/Amenity Project	76,281
James Woody Park Security Enhancement Project	125,000
Village Neighborhood Road Improvement Project (Phase 3 of 4)	172,526
CDBG Administration	115,017
<b>Total In-house funding Recommendations</b>	<b>\$488,824</b>
<b>Total Public Service Recommendations</b>	<b>86,263</b>
<b>CDBG Reprogrammed Funds to RRLP</b>	<b>11,478.88</b>
<b>Total CDBG Funding Recommendations for FY 2011/2011</b>	<b>\$586,565.88</b>

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**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 a minimum of 70 percent of its funds to benefit low- and moderate-income individuals during the 2011-2012 program year.

**Past Use of Funds:** Information on the current Fourth-Year Consolidated Plan and the Town's past use of funds for the CDBG program may be reviewed at the Town of Apple Valley Economic and Community Development Department web page at the Town's Website [www.applevalley.org](http://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)**

The HOME program is authorized under Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended. 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).

**HOME CONSORTIUM FUNDING**

The HOME Consortium, consisting of the jurisdictions of Apple Valley and Victorville, anticipates receiving a total allocation of \$606,863 for the period beginning July 1, 2011 and ending June 30, 2012. Of that amount, Apple Valley estimates receiving \$268,751; and Victorville estimates receiving \$338,112. The public notice, as required by HUD, appeared in the Apple Valley News on April 8, 2011. As a final allocation from HUD for the HOME program had not been received by that date, funding amounts as indicated in this Council report are based on estimates provided by HUD officials and represent an estimated 12% cut in HOME funds which differ from the amounts published on April 8, 2011.

**Apple Valley Proposed Funding:** The Town expects to allocate \$268,751 in HOME grant funds for FY 2011-2012 for the period beginning July 1, 2011 and ending June 30, 2012.

**Proposed Apple Valley Projects:** Proposed HOME projects for 2011-2012 are outlined below: Reprogrammed CHDO funds in the amount of \$392,784.15, fiscal year 2011-12 CHDO funds in the amount of \$37,643 and Reprogrammed HOME entitlement funds (Non-CHDO) funds in the amount of \$58,278.01 will be allocated to Apple Valley Happy Trails Villas (AVHTV). Reprogrammed HOME entitlement funds in the amount of \$37,642.55 will be allocated to the Town's Residential Rehabilitation Loan Program (RRLP).

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Residential Rehabilitation Loan Program (RRLP)	188,217
Program Administration	42,891
Community Housing Development Organization (CHDO)	37,643
Total	<u>\$268,751</u>

**Proposed Victorville Projects:** Proposed HOME projects for 2011-2012 are outlined below:

HOME Administration	17,795
Senior Home Repair Program	146,931
Mortgage Assistance Program	60,000
Owner Occupied Rehabilitation	60,000
CHDO	53,386
Total	<u>\$338,112</u>

A copy of the draft Consolidated Plan – Fifth-Year Action Plan for 2011-2012 is available for review at the Town’s website: [www.applevalley.org](http://www.applevalley.org).

Based upon the foregoing, staff recommends, subsequent to the closure of the public hearing, approval and adoption of the recommendations submitted by the Community Development Citizen’s Advisory Committee as outlined above. Staff further recommends the approval and adoption of the 2011-2012 Consolidated Plan - Fifth Year Action Plan for Apple Valley and Victorville.

**FISCAL YEAR 2011-2012  
COMMUNITY DEVELOPMENT BLOCK GRANT PROPOSALS**

ID #	Organization	Project Title	Funding Request	Allocation	Current Funding	Proposed Accomp.	Accomp.
1112-01	High Desert Homeless Services, Inc.	High Desert Homeless Services	20,000.00	10,716.00	15,508.30	60	
1112-02	Victor Valley Domestic Violence	A Better Way	15,000.00	0.00	12,008.30	65	
1112-03	St. John of God Health Care Services	Resident Utility Assistance	8,000.00	6,429.00	0.00	61	
1112-04	Apple Valley Christian Care Center	Certified Nursing Assistants	12,000.00	0.00	8,008.30	80	
1112-05	Apple Valley Police Activities League	Police Activities League	30,000.00	16,074.00	15,008.30	200	
1112-06	Catholic Charities	Family Service Program - Rental Assitance	18,000.00	10,716.00	7,008.30	25	
1112-07	Assistance League of Victor Valley	Operation School Bell	15,000.00	10,716.00	8,008.30	200	
1112-08	Inland Fair Housing and Mediation Board	Fair Housing	14,658.00	11,788.00	13,032.45	30	
1112-09	Inland Fair Housing and Mediation Board	Landlord/Tenant Mediation	9,529.00	7,500.00	8,008.30	303	
1112-10	Moses House Ministries	Case Management	5,000.00	0.00	4,008.30	200	
1112-11	One 2 One Mentors	Supporting Teens At Risk (STAR)	10,000.00	0.00	4,008.30	75	
1112-12	SB County Library	Adult Literary Services	5,000.00	4,287.00	4,008.30	38	
1112-13	Victor Valley Community Hospital	Community Care Project	5,000.00	0.00	5,008.30	60	
1112-14	Victor Valley Community Services Council	Senior Needs	15,000.00	8,037.00	0.00	110	
	Total Public Service Requests		<b>182,187.00</b>	<b>86,263.00</b>	<b>103,623.75</b>		
	2011-2012 Funds Available for Public Service Activities 15%		<b>86,263.00</b>	<b>0.00</b>			
			<b>(95,924.00)</b>				
	<b>Town Administered Projects</b>						
1112-15	Civic Center Park/Aquatic Center Shade Structure/Amenity Project		76,281.00	76,281.00			
1112-16	James Woody Park Security Enhancement Project		125,000.00	125,000.00			
1112-17	Village Neighborhood Road Improvement Project (Phase 3 of 4)		172,526.00	172,526.00			
1112-18	CDBG Administration		115,017.00	115,017.00			
	<b>Town Project Requests</b>		<b>488,824.00</b>	<b>488,824</b>			
	<b>Total CDBG Public Service Requests</b>		<b>182,187.00</b>				
	<b>Total Town Project Requests</b>		<b>488,824.00</b>				
	<b>Total CDBG Requests</b>		<b>671,011.00</b>				
	<b>2011-2012 CDBG Allocation (Estimate)</b>		<b>575,087.00</b>				
	<b>2009-2010 CDBG Reprogrammed Funds to RRLP</b>		<b>11,478.88</b>				
	<b>Total Funds Available</b>		<b>586,565.88</b>				

**FISCAL YEAR 2011-2012  
HOME INVESTMENT PARTNERSHIPS PROGRAM**

ID #	Organization	Project Title	RRLP	AVHTV	2011-12 HOME Allocation	Proposed Accomp.	Accomp.
<b>Estimated HOME Allocation</b>					<b>606,863.00</b>		
	Town of Apple Valley	CHDO/AVHTV		37,643.00	<b>37,643.00</b>		
	Town of Apple Valley	Reprogrammed HOME funds Down Payment Assistance for AVHTV (Non-CHDO funds)		58,278.01			
	Town of Apple Valley	Reprogrammed CHDO funds to AVHTV for DAP		392,784.15			
		<b>Total AVHTV</b>		<b>488,705.16</b>			
	Town of Apple Valley	HOME Administration 10%			<b>42,891.00</b>		
	Town of Apple Valley	Residential Rehabilitation Loan Program	188,217.00		<b>188,217.00</b>		
	Town of Apple Valley	Total Reprogrammed HOME funds for RRLP	37,642.55				
		<b>Total RRLP</b>	<b>225,859.55</b>				
<b>2011-2012 HOME Allocation</b>					<b>268,751.00</b>		
	City of Victorville	HOME Administration	17,795.00		17,795.00		
	City of Victorville	Owner Occupied Rehab (OOR)	60,000.00		60,000.00		
	City of Victorville	Senior Home Repair Program (SHRP)	146,931.00		146,931.00		
	City of Victorville	Mortgage Assistance Program (MAP)	60,000.00		60,000.00		
	City of Victorville	CHDO	53,386.00		53,386.00		
		<b>Total Victorville HOME</b>	<b>338,112.00</b>		<b>338,112.00</b>		
<b>Total FY 2011-2012 HOME Requested (Based on 11.8% budget cut)</b>			<b>338,112.00</b>				
<b>Total to be allocated for FY 2011-2012 HOME</b>					<b>606,863.00</b>		