

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

FINAL PUBLIC HEARING - CONSOLIDATED PLAN SECOND-YEAR ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), THE HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAMS AND THE AMERICAN DREAM DOWN PAYMENT INITIATIVE (ADDI) PROGRAM FY 2008-2009.

Summary Statement:

The purpose of this public hearing is to receive final comments on the proposed 2008/2009 Community Development Block Grant program and the Home Investment Partnerships Program.

The Second-Year Action Plan is now in the process of development for Fiscal Year 2008-2009. The purpose of the 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 – Second-Year Action Plan. Once the Town Council takes action, the Plan will then 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:

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 2008/2009 CDBG, HOME and American Dream Downpayment Initiative (ADDI) programs as part of the Town's Second-Year Action Plan, which is an integral component of the Consolidated Plan and approve the draft Action Plan and authorize the Town Manager to execute all necessary HUD documents on behalf of the Town for submission to HUD.

Proposed by: Director of Economic & Community Development **Item Number** _____

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

Summary Statement – Continued
Final Public Hearing – Consolidated Plan – Second Year Action Plan
Page 2

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).

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 expanding economic activities, principally for persons of low- and moderate-income.

CDBG ANNUAL PROJECT FUNDING

Proposed Funding: The Town expects to receive \$630,805 in CDBG grant funds for the period beginning July 1, 2008 and ending June 30, 2009.

Proposed Projects: The Town received a total of 15 CDBG applications this year. The Community Development Citizen Advisory Committee has met to review the proposal applications and make recommendations for funding. A summary of the Committee's recommendations for the 2008-2009 CDBG program is provided below. Proposed projects administered directly by the Town will include, the Residential Rehabilitation Loan Program and CDBG Program Administration.

Public services projects comprise 15% (\$94,620.75) of the proposed Second-Year Allocation, the maximum amount allowable pursuant to CDBG regulations. A total of 11 public service projects are recommended for funding.

Summary Statement – Continued
Final Public Hearing – Consolidated Plan – Second Year Action Plan
Page 3

Proposed Projects/Proposed CDBG projects for 2008-2009 are outlined below:

• San Bernardino County Library – Literacy Day	\$5,000
• Hi Desert Meals On Wheels - Senior Nutrition	\$0.00
• Victor Valley Domestic Violence, Inc.– A Better Way	\$10,000.00
• High Desert Homeless Services – Homeless Shelter Program	\$15,000.00
• The Magic Jungle, Inc. – Safari Essay Program	Withdrew
• Assistance League of Victor Valley – Operation School Bell	\$10,000.00
• Inland Fair Housing & Mediation Board – Fair Housing	\$17,431.00
• Inland Fair Housing & Mediation Board – Landlord Tenant Mediation	\$10,336.00
• San Bernardino County – Sexual Assault Services	\$6,000.00
• St. John of God Health Care Services – Samaritan’s Helping Hand	\$4,600.00
• Moses House Ministries	\$4,753.75
• One 2 One Mentors, Inc. – STAR	\$5,000.00
• Mojave Deaf Services – Sign Language/Oral Interpreter Services	\$6,500.00
• Town of Apple Valley Residential Rehabilitation Loan Program	\$380,023.25
• Town of Apple Valley RRLP Program Administration	\$30,000
• Town of Apple Valley – Program Administration	\$126,161.00
Total	\$630,805.00

Organizations Not Recommended For Funding:

The following organization was not recommended for funding by the Community Development Citizen Advisory Committee (CDCAC).

	Funding Request	CDCAC Recommendation
High Desert Meals on Wheels	\$14,000	\$0.00

Benefit: At least 70 percent of the total funds received each year must be involved in activities that benefit low- and moderate-income persons. The Town expects to spend 100 percent of its funds to benefit low- and moderate-income individuals during the 2008-2009 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 Development Department web page at the Town’s Website www.applevalley.org.

Displacement: No local public action is currently contemplated which would result in the displacement of low- and moderate-income households. If displacement occurs, the Town and/or the Consortium will implement and fully comply with State and Federal relocation and acquisition statutes.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

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

Summary Statement – Continued
Final Public Hearing – Consolidated Plan – Second Year Action Plan
Page 4

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 \$625,516 for the period beginning July 1, 2008 and ending June 30, 2009. Of that amount, Apple Valley estimates receiving \$260,027; and Victorville estimates receiving \$365,489. However, to meet HUD’s HOME Consortia minimum funding threshold requirements, the Town of Apple Valley will be allocating an additional \$124,484, from Redevelopment Agency funds, bringing the total HOME allocation to \$750,000.

Apple Valley Proposed Funding: The Town expects to allocate \$406,422 in HOME grant funds for FY 2008-2009 for the period beginning July 1, 2008 and ending June 30, 2009.

Proposed Apple Valley Projects: Proposed HOME projects for 2008-2009 are outlined below:

• Housing Partners I (CHDO)	\$353,333
• Program Administration	\$53,089
Total	\$406,422

Proposed Victorville Projects: Proposed HOME projects for 2008-2009 are outlined below:

• Senior Home Repair Program	\$201,667
• Mortgage Assistance Program (MAP)	\$60,000
• Owner Occupied Rehabilitation	\$60,000
• Program Administration	\$21,911
Total	\$343,578

American Dream Downpayment Initiative Funding

The American Dream Downpayment Initiative (ADDI) was signed into law on December 16, 2003 under the American Dream Downpayment Act (Public Law 108-186) (ADDI statute). Funds made available under the ADDI statute are allocated to eligible HOME program participating jurisdictions (PJ) to assist low-income families become first-time homebuyers. The HOME Consortium anticipates receiving \$4,001 in ADDI funds for fiscal year 2008 - 2009 for the period beginning July 1, 2008 and ending June 30, 2009. These funds will be allocated to the Town’s Downpayment Assistance Program (DAP).

Summary Statement – Continued
Final Public Hearing – Consolidated Plan – Second Year Action Plan
Page 5

Proposed ADDI Project: Proposed HOME ADDI project for 2008-2009 is outlined below:

• Downpayment Assistance Program (DAP)	\$4,001
• Total	<u>\$4,001</u>

A copy of the draft Consolidated Plan – Second-Year Action Plan for 2008-2009 is available for review at the Town’s website: 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; as well as approval and adoption of the 2008-2009 Consolidated Plan - Second Year Action Plan for Apple Valley and Victorville.

**FISCAL YEAR 2008-09
COMMUNITY DEVELOPMENT BLOCK GRANT PROPOSALS**

ID #	Organization	Project Title	Funding Request	Allocated
Social Service/Public Service Projects				
00-1	San Bernardino County Library	San Bernardino County Library Literacy Day	5,000.00	5,000.00
00-2	Victor Valley Domestic Violence, "A Better Way"	Victor Valley Domestic Violence	15,000.00	10,000.00
00-3	Hi-Desert Meals On Wheels	Hi-Desert Meals On Wheels	14,000.00	0.00
00-4	Assistance League of Victor Valley	Operation School Bell	10,000.00	10,000.00
00-5	San Bernardino County Sexual Assault Services	Sexual Assault Program	6,000.00	6,000.00
00-6	High Desert Homeless Services, Inc.	High Desert Homeless Services	20,000.00	15,000.00
00-7	The Magic Jungle, Inc.	Safari Essay Program	Withdrew	0.00
00-8	Inland Fair Housing & Mediation Board	Fair Housing	17,431.00	17,431.00
00-9	Inland Fair Housing & Mediation Board	Landlord/Tenant Mediation	10,336.00	10,336.00
00-10	One 2 One Mentors	Supporting Teens at Risk (S.T.A.R.)	5,000.00	5,000.00
00-11	St. John of God Healthcare Services	Granada Ministries: Samaritan's Helping Hand	5,000.00	4,600.00
00-12	Moses House Ministries	Moses House Ministries	5,000.00	4,753.25
00-13	Mojave Deaf Services	Mojave Deaf Services	6,500.00	6,500.00
Total Public Service Requests			\$119,267.00	
Funds Available for Public Service Activities			\$94,620.75	\$94,620.75
Town Administered Projects				
00-14	Town of Apple Valley Residential Rehabilitation Loan Program (RRLP)		\$380,023.25	\$380,023.25
	Town of Apple Valley RRLP Administration		\$30,000.00	\$30,000.00
	CDBG Program Administration 20%		\$126,161.00	\$126,161.00
Total Town Requests				\$536,184.25

Total CDBG Requests	\$655,451.00
2008-2009 CDBG Allocation	\$630,805.00
2008-2009 CDBG Allocation	\$630,805.00
Public Service Activities 15%	\$94,620.75
CDBG Administration	\$126,161.00
Town of Apple Valley RRLP	\$380,023.25
Town of Apple Valley RRLP Administration	\$30,000.00

**FISCAL YEAR 2008-09
HOME INVESTMENT PARTNERSHIPS PROGRAM**

ID #	Organization	Project Title	Funding Request	Allocated
	Town of Apple Valley	HOME Administration 10%	53,089.00	53,089.00
	Town of Apple Valley	Housing Partners I	353,333.00	353,333.00
		Total Apple Valley HOME	406,422.00	406,422.00
	City of Victorville	HOME Administration	21,911.00	21,911.00
	City of Victorville	Senior Home Repair Program (SHRP)	201,667.00	201,667.00
	City of Victorville	Owner-occupied Rehabilitation (OOR)	60,000.00	60,000.00
	City of Victorville	Mortgage Assistance Program (MAP)	60,000.00	60,000.00
		Total Victorville HOME	\$343,578.00	\$343,578.00
Total FY 2008-2009 HOME Requested			\$750,000.00	\$406,422.00
Total to be allocated for FY 2008-2009 HOME			\$750,000.00	\$750,000.00
	2008-2009 HOME Allocation		\$625,516.00	
	Apple Valley Gap contribution from 20% set-asides		\$124,484.00	

**FISCAL YEAR 2008-09
AMERICAN DREAM DOWN PAYMENT INITIATIVE**

ID #	Organization	Project Title	Funding Request	Allocated
	Town of Apple Valley	Downpayment Assistance Program (DAP)	\$4,001.00	\$4,001.00
Total Apple Valley ADDI			\$4,001.00	4,001.00