



City of Victorville
Housing and Community Development Grants
Program
Application Instructions and
Notice of Funding Availability
Program Year July 1, 2015 through June 30, 2016



1. INTRODUCTION

The City of Victorville is now accepting project proposal applications for the City's FY 2015-2016 Housing and Community Development Grant programs. Funds for these programs are provided under the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) programs.

A. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (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, a suitable living environment and expanded economic opportunities, principally for persons of low and moderate-income. For the FY 2015-2016, which begins July 1, 2015, the City of Victorville expects to receive approximately \$1,070,234 in CDBG funds.

B. HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

HOME is authorized under Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended. The City of Victorville has formed a consortium with the Town of Apple Valley in order to meet the threshold of obtaining HOME entitlement status with the U.S. Department of Housing and Urban Development (HUD). The successful formation of this consortium has resulted in an annual allocation of HOME funds to both communities. For FY 2015-2016, the Consortium anticipates receiving a total of approximately \$519,393. Of that amount, Victorville and Apple Valley will receive an estimated \$305,923 and \$213,470, respectively.

2. USE OF FUNDS

Funds for these programs are restricted according to the nature and type of program. Generally, CDBG funds may be distributed as follows: Public Service Projects, 15%; Construction/Other and Housing Projects, 65%; and Administration, 20%. Similarly, HOME funds may be distributed as follows: Construction/Other Projects, 75%; Community Housing Development Organizations (CHDOs), 15%; and Administration, 10%.

3. FUNDING PRIORITIES

The City Council identified priorities for the 2012-2016 Consolidated Plan period. The Strategic Plan priorities for the City's 2012-2016 Consolidated Plan are being provided herein for your reference.

2012-2016 Strategic Plan Priorities:

- Priority 1 Preserve the existing housing stock.
- Priority 2 Expand the supply of affordable housing.
- Priority 3 Assist in reducing housing costs of extremely low and very-low-income households
- Priority 4 Increase affordable homeownership opportunities.
- Priority 5 Eliminate blighted conditions and substandard housing through enhanced code enforcement activities and demolition.
- Priority 6 Provide shelter and related support services to meet the needs of the homeless population and support the development of a continuum of care system on a region wide basis.
- Priority 7 Assist special needs persons with reducing housing costs and meeting their rehabilitation needs.
- Priority 8 Affirmatively further fair housing to ensure equal access to housing for lower income persons, ethnic minorities and special needs groups.

- Priority 9 Coordinate public and private efforts to reduce lead based paint hazards and protect young children.
- Priority 10 Create safer, more attractive and more accessible neighborhoods and stimulate economic growth through the improvement of infrastructure.
- Priority 11 Provision of public facilities and park improvements.
- Priority 12 Address public service needs.
- Priority 13 Expand the economic base and promote greater employment opportunities for residents.

Applications will be evaluated for eligibility based on the national objectives and eligibility standards established by HUD for the CDBG and HOME programs. These objectives and standards are outlined in this information package.

4. CITY GUIDELINES

For housing activities, the City will make the determination of whether to use CDBG, HOME or a combination of both funds, unless there is a compelling reason to use one funding source over the other. **Applicants should indicate if there is a preference for CDBG or HOME funds.**

The following will serve as a guideline for considering distribution of CDBG funds:

Of the eligible applications for the given year's CDBG funds, programs and projects that target the area of and the citizens of the City of Victorville shall receive priority for full program and/or project funding.

Understanding that the City of Victorville is one of five agencies of the Victor Valley which receive CDBG funds for the same or similar purposes (the others being Adelanto, Apple Valley, Hesperia, and the County of San Bernardino), it shall be presumed that residents of Victorville consume up to 20% of valley-wide services. Therefore, for organizations that declare their programs and projects serve the Victor Valley (not exclusively the City of Victorville), the City Council will expect to award funds not in excess of 20% of the total project amount requested.

The City Council reserves the privilege to award funds in excess of 20%, or additional funds, for organizations that provide adequate supporting evidence that Victorville residents have or are projected to consume more than 20% of their services.

The following will serve as a guideline for considering distribution of HOME funds:

As required by HUD, a minimum of 15% of the annual allocation will be reserved for housing activities undertaken by qualified Community Housing Development Organizations (CHDOs). A CHDO is a private, non-profit community-based service organization that meets a series of qualifications prescribed in the HOME regulations to develop affordable housing for the community it serves. An organization must be qualified and designated as a CHDO by the consortium.

Of the eligible applications for the given year's HOME funds, housing projects sponsored by the City of Victorville shall receive priority for funding.

5. ELIGIBILITY

A. CDBG Eligibility

Federal regulations define the parameters for using CDBG funds according to established national objectives. These regulations also specify eligible and ineligible activities. Copies of these regulations are available upon request. All CDBG funded activities must meet one of the national objectives and all project applications will be evaluated against these national objectives and eligibility requirements.

CDBG National Objectives:

- The project must principally serve low and moderate-income persons;
- The project must eliminate slums and blight; or
- The project must address a recent and urgent health and safety need.

In order to qualify for CDBG funding, all eligible activities must principally benefit low and moderate-income persons. An activity will be considered to principally benefit low and moderate-income persons if it meets one or more of the following standards:

1. **100% Low/Mod Income Benefit:** The activity has an income eligibility requirement that limits the benefits exclusively to low and moderate-income persons.
2. **Area Benefit:** The activity is designed to serve Low/Mod areas (i.e. the City's CDBG Target Areas).
3. **Presumed Benefit:** The activity would benefit one or more of the following groups presumed to be low-income under CDBG regulations: abused children, battered spouses, the elderly, adult persons with severe disabilities, the homeless, illiterate persons, and migrant farm workers.
4. **51% Low Income Benefit:** The activity has income eligibility restrictions to assure that at least 51% of the users or beneficiaries are low income (e.g. the rehabilitation of a day care center serving 51% low-income households).
5. **Job Creation/Retention for Low-Income Population:** The activity is designed to create or retain permanent jobs, a majority of which will employ low-income persons.
6. **Slum/Blight Elimination:** The activity is designed to eliminate slum and blight as part of a comprehensive plan.

B. HOME PROGRAM

Federal regulations define the parameters for using HOME program funds according to established objectives. These regulations also specify eligible activities. Copies of these regulations are available upon request. All project applications will be evaluated against the HOME program objectives and eligibility requirements.

HOME Program Objectives:

- Provide decent affordable housing to lower-income households;
- Expand the capacity of nonprofit housing providers;
- Strengthen the ability of state and local governments to provide housing; and
- Leverage private-sector participation.

The following program specific qualifying criteria will be used in determining HOME Program eligibility:

1. **Program Targeting.** The HOME Program is designed to provide affordable housing to low and very-low-income households. Therefore, the City must use 100% of its HOME funds to assist households with incomes below 80 percent of the area median income (i.e. households whose gross income is at or below HUD's Riverside/San Bernardino, CA MSA definition for low-income). There are also many rules about targeting program resources such as establishing applicant/tenant eligibility, maintaining affordable rents, occupancy set-asides, restricting assistance to a limited number of units, and much more. Applications for funding will be evaluated against this criterion.
2. **Match.** The HOME Program requires that federal HOME funds be matched 25% with non-federal forms of subsidy. The premise of the "match" requirement is that the provision of affordable housing is a local as well as federal responsibility, and, as such, should require a financial commitment from state and local sources as well as the federal government. The matching contribution does not have to be invested in the same project and can be earned for investment in

other HOME-assisted, HOME-eligible or HOME-partially assisted projects. Unless HUD waives the local match requirement, the applicant will be responsible for providing match contributions.

The match requirement can be met by the following sources:

- Cash or cash equivalents from a non-federal source,
- Value of waived taxes, fees or charges, associated with HOME projects,
- Value of donated land or real property,
- Cost of infrastructure improvements associated with HOME projects,
- Percentage of the proceeds of single or multi-family housing bonds issued by state, state instrumentally or local government;
- Value of donated materials, equipment, labor and professional services,
- Sweat equity,
- Direct costs of supportive services to residents of HOME projects, and
- Direct cost of homebuyer counseling to families purchasing homes with HOME assistance.

NOTE: Match counted for other Federal programs cannot be counted as HOME match.

3. **Community Housing Development Organizations (CHDOs).** HOME jurisdictions are required to set aside at least 15% of their annual HOME allocations for housing activities undertaken by qualified CHDOs. CHDOs may also receive HOME dollars outside the set-aside amounts.

6. ELIGIBLE ACTIVITIES

A. CDBG ELIGIBLE ACTIVITIES

Federal regulations limit the kinds of activities that the City may carry out with CDBG funds. The regulations governing the CDBG program provide detailed eligibility requirements. Copies of the CDBG regulations are available from the City upon request. The following generally identifies the eligibility standards:

- **Public Services** - (for eligible Low/Mod or presumed benefit clientele) including job training and employment services; health care and substance abuse services; child care; recreational services; crime prevention; graffiti removal; services to presumed benefit clientele; and fair housing counseling;
- **Construction/Other** - including real property acquisition and disposition for an eligible use; demolition and clearance of deteriorated buildings; interim assistance; public facilities and improvements including construction and/or rehabilitation of public infrastructure and the construction or rehabilitation of neighborhood facilities and facilities for persons with special needs; economic development activities including assistance to microenterprises and other businesses, technical assistance and other support services to microenterprises, acquisition, construction and rehabilitation of commercial and industrial properties; and relocation assistance for businesses temporarily or permanently relocated;
- **Housing Activities** - including acquisition of real property for rehabilitation for residential purposes, housing rehabilitation, energy improvements; lead-based paint testing and abatement; homeownership assistance; housing services in connection with HOME program activities and other housing services;
- **Generally Ineligible Projects** - construction of religious facilities that are used for inherently religious activities; government buildings; new housing construction; maintenance and operation expenses; equipment purchases; political or religious proselytizing and fund raising.

B. HOME PROGRAM ELIGIBLE ACTIVITIES

Federal regulations limit the kinds of activities that the City may carry out with HOME funds. The regulations governing the HOME program provide detailed eligibility requirements. Copies of the HOME regulations are available from the City upon request. The following generally identifies the eligibility standards:

- **Homeowner Rehabilitation** - HOME funds may be used to assist existing owner-occupants with the repair, rehabilitation or reconstruction of their home.
- **Homebuyer Activities** - Funds may be used to finance the acquisition and/or rehabilitation or new construction of homes for homebuyers.
- **Rental Housing** - Affordable rental housing may be acquired and/or rehabilitated, or constructed.
- **Tenant-based rental assistance (TBRA)** - Financial assistance for rent, security deposits and, under certain conditions, utility deposits may be provided to tenants.

7. PERFORMANCE MEASUREMENTS

The Government Performance and Results Act (GPRA) of 1993 and HUD Notice CPD-03-09 entitled, Development of State and Local Performance Measurement Systems for Community Planning and Development (CPD) Formula Grant Programs, requires that the City implement a performance measurement system to assess our performance and progress towards addressing the needs of the low-income people and areas we serve. This notice went on public display on March 3, 2006 and was published in the "Federal Register" on March 7, 2006. The notice describes the performance measurement system and how the system will be implemented. The following generally outlines both HUD and the City's performance measurements requirements. Additional information may be found in Section 7 of the City's CDBG Procedures Manual.

Please **do not over estimate** on what your project can realistically deliver. If your project is funded, the information provided in the Performance Measurements Section will be directly transmitted to HUD in the Annual Action Plan.

A. Goals

A goal is a broad statement that describes what can reasonably be achieved by carrying out a program or completing a project. The City's goals are the proposed solutions to the problems or needs identified in the Strategic Plan. Each funded program/project must meet one of the City's Strategic Plan Goals. Your agency will also have its own goals that are generally directly related to the purpose or mission of the agency and expresses that purpose concisely.

B. Activities

Activities are what the program/project does to fulfill its goals or mission. Activities include the services, major steps, or milestones your agency provides in order to implement the program/project.

C. Outputs

Outputs are the direct products of a program/project. Each output should relate to the intended outcome of the program activities and community objectives. They are measured in terms of the volume of work or units of service accomplished.

D. Objectives

An objective is something you plan to do or achieve. The primary objective of Title 1 of the Housing and Community Development Act of 1974 is to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities for low and moderate-income households. You must select one of these three objectives for your program/project.

E. Outcomes

Outcomes are the results/benefits achieved from a program/project and typically relate to a change in conditions, status, attitudes, skills, knowledge, or behavior. HUD has identified the three outcome categories to enable grantees to aggregate outcomes to the National level.

F. Measurement Reporting Tools

To measure outcomes, you should select measurement reporting tools that relate to the goals established for your funded program/project. Common measurement reporting tools are: client assessments, surveys, observation tools, case records and interviews.

8. PAYMENT OF PREVAILING WAGES

The Payment of prevailing wages in accordance with the Davis-Bacon and Related Acts as set forth in the Code of Federal Regulations (Title 29 CFR Parts 1,2,5,6 and 7) are required if the project involves:

- CDBG funds for non-residential construction or rehabilitation exceeding \$2,000,
- CDBG funds for residential rehabilitation of eight (8) or more units, **or**
- HOME funds for the construction or rehabilitation of twelve (12) or more housing units.

9. MAINTENANCE AND OPERATION/PROPERTY MAINTENANCE COMMITMENT

Federal regulations **do not** permit the use of CDBG funds for maintenance and operation expenses and they require that HOME-assisted properties be adequately maintained and operated. Therefore, construction and housing project proposals will not be accepted as complete without a properly executed Maintenance and Operation/Property Maintenance Commitment Form with the estimated Annual Maintenance and Operation Budget. These elements of the proposal provide assurances of long-term benefits of CDBG and HOME funded improvements. The signatory must be an individual with authority to obligate the entity identified as being responsible for on-going maintenance and operation.

10. APPLICATION INSTRUCTIONS

A. Applications

Applications will be available from Monday, December 1, 2014 through Monday, January 26, 2015 and may be downloaded from the City's website at www.ci.victorville.ca.us, emailed by contacting hcdgrants@ci.victorville.ca.us, or by telephoning (760) 243-6312. Persons, organizations, or agencies requesting funding consideration under the City of Victorville's Housing and Community Development grant programs must submit **ONE UNBOUND** completed "Application Form" for each project along with all the required supporting documentation (refer to the "Application Checklist"). All pages must be one-sided and on 8 ½ x 11 paper. Do not include oversized or undersized pages. The application should not include any extraneous materials, unnecessary packaging, or a letter of transmittal, as they will be discarded.

There are three distinct application forms depending on your project type: Public Services; Construction/Other Community Development; and Housing. The application requires detailed and specific information about the project. The City will use this information to determine if the proposal is eligible for funding. All applicants will receive notification on the eligibility status of each project proposal.

B. Technical Assistance Workshop

City staff will conduct a **MANDATORY** technical assistance workshop to assist in the preparation of applications on **Wednesday, December 10, 2014 at 10:00 a.m. in City Hall, Conference Room D, 14343 Civic Drive, Victorville**. All parties interested in submitting a Housing and Community Development grant application are required to attend.

C. Supporting Documentation

In order for applications to be considered complete, the following supporting documentation must be attached to the application: Articles of Incorporation; By-Laws; List of Board of Directors; Audited Financial Statements; Proof of Non-profit Status (e.g. 501(c)(3)); and Adopted Budget. Other supporting documentation may be required depending on the application and project, read each application carefully for these requirements.

D. Proposal Evaluation

Once your application is received by the City of Victorville, it is reviewed to determine project eligibility. Upon completion of the eligibility process, applicants that have incomplete or ineligible will be notified and will not be considered for funding. Eligible applications will be forwarded to the HCD Grants Review Committee for its review. The Committee is comprised of two appointed Council Members and HCD Grants staff.

Applicants will be given an opportunity to make presentations to the City Council at a public hearing in which an official or designee of each organization applying for funds will present testimony related to the application. This public hearing will be tentatively held on January 6, 2015. All eligible applicants will receive notice of the public hearing.

A meeting will then be scheduled for the purpose of rating and ranking the applications utilizing the HCD Grants Application Evaluation Criteria and, funding recommendations will be provided to the City Council.

A point scale is utilized by the HCD Grants Review Committee for rating and ranking applications. Ratings are based on a numerical scale of 1 to 25 with a maximum number of possible points being 125. Rating categories are as follows: 1 through 5 - Poor; 5 through 10 - Fair; 10 through 15 - Average; 15 through 20 - Good; and, 20 through 25 - Excellent. Bonus points will be awarded for collaboration.

Below is the criteria used for evaluation of applications submitted for funding consideration:

Need (Maximum of 25 points)

- There is a need for the activity that has clearly been defined and identified.
- The information supplied by the applicant shows how this activity will address the need.
- The need identified in the application is a Consolidated Plan priority.

Benefit (Maximum of 25 points)

- The cost/benefit ratio is reasonable (comparison of number of Victorville Residents to benefit to the amount of funding requested from Victorville.)
- The beneficiaries are an appropriate target group (low-income, handicapped, homeless, elderly, etc.).
- The activity benefits CDBG target areas.

Organization and Administrative Capability (Maximum of 25 points)

- The applicant is fiscally accountable (audit, adopted budget and proposed budget).
- The applicant's goals for this activity are realistic and achievable.
- The activity is consistent with the applicant's overall philosophy (articles of incorporation and bylaws).
- The applicant has a stable Board of Directors and community support.
- The applicant has prior experience in successfully administering an activity with similar administrative requirements (previous CDBG or other Federal, State and local grants).

Funding (Maximum of 25 points)

- The proposed budget demonstrates adequate funding.
- The proposed budget is realistic (expenses and administrative costs are reasonable).
- The requested funds will achieve an impact on the need.
- The request will not supplant other funding already available.
- The applicant demonstrates ongoing funding from other sources (federal, state and local resources) for its activities.
- The match requirements for funding are met or exceeded.

City Council Priorities (Maximum of 25 points)

- Past performance and CDBG funding history with the City of Victorville.
- Extent to which applicant will be able to meet stated goals and the ability to complete the activity in a timely manner.
- Activity targets Victorville residents.
- If the activity provides a regional benefit, the application supports the amount of funds requested is proportionate to the benefits Victorville residents will receive.

When the HCD Grants Review Committee completes the application review and evaluation process, it will provide its rating and funding recommendations to Council. The City Council then allocates funds to eligible projects based on the City's priority needs, presentations made by the applicants, and recommendations of the HCD Grants Review Committee. **The City Council has the authority to make all final decisions regarding the selection of projects and the allocation of funds among projects.**

E. Public Hearing

The Victorville City Council will hold a public hearing to consider the eligible applications for fiscal year 2015-2016 on or about April 15, 2015. All applicants will receive notice of the public hearing.

F. Application Deadline

City of Victorville Project Applications will be accepted until 3:00 p.m., **Monday, January 26, 2015**. Applications must be delivered to the Economic Development Department, City Hall, 14343 Civic Drive, Victorville, CA 92392, **not later than 3:00 p.m.** on that date in order to be considered eligible. Faxed or e-mailed applications **will not** be accepted.

G. Funding Notification

The City of Victorville sends written notification to the agencies approved for implementing the CDBG or HOME-funded programs. Contracts must be written and approved for all CDBG or HOME-funded programs prior to any expenditure of funds by the subrecipient agencies.

For more information, application forms, or for questions, contact Liliana Collins, Management Technician, at (760) 243-6312 or by e-mail at: hcdgrants@ci.victorville.ca.us.

Submit Completed Applications to:	Economic Development Department Attn: Housing Division City of Victorville 14343 Civic Drive, P.O. Box 5001 Victorville, CA 92393-5001
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