

Action Plan

Grantee: Apple Valley, CA

Grant: B-11-MN-06-0502

LOCCS Authorized Amount:	\$ 1,463,014.00
Grant Award Amount:	\$ 1,463,014.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 250,000.00
Total Budget:	\$ 1,713,014.00

Funding Sources

Funding Source	Funding Type
SFR Acq/Rehab resale	Program Income

Narratives

Summary of Distribution and Uses of NSP Funds:

The Town of Apple Valley received a grant allocation of \$1,463,014. As mandated by NSP-3 regulations, 25% of the funds or \$365,754 will be used to serve residents earning at or below 50% of area median income. Activity #4, Program administration will be capped at 10% or \$146,301. Activity #1, Acquisition/New Construction for Multi-Residential Uses has been allocated \$854,000. Activity #2, Acquisition/Rehabilitation for Multi-Residential Uses has been allocated \$357,713, and Activity #4 Down Payment Assistance has been allocated \$105,000.

Due to ever-changing market conditions, The Town of Apple Valley will need to maintain a level of flexibility by permitting the movement of funds between eligible activities as well as amending the boundaries of one or more neighborhoods without requiring a substantial amendment. These changes may be made administratively, depending on the location, size and scope of the project(s).

How Fund Use Addresses Market Conditions:

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. As reported in the Victor Valley Daily Press, January 9, 2010, there were 250,831 notices of default issued in the Inland Empire from 2007 through 2009. According to Realty Trac (12/20/10), however, foreclosure activity based on the total number of properties that received foreclosure filings, default notices, a foreclosure auction notice or became Real Estate Owned (REO) reached 3,816 in Apple Valley for the period of December 2009 through November 2010.

According to the Inland Empire Quarterly Economic Report, October 2010, taxable retail sales in San Bernardino County fell 15.0%, Riverside County's sales dropped 14.5% and Inland Empire sales fell 14.7%. Every major Inland Empire city lost retail sales which is due in large part to the high unemployment rate of approximately 15%. In August 2010, the California Employment Development Department estimated the Inland Empire had lost approximately 22,500 jobs, down 2.0% from August 2009. The estimated job loss for 2010 is 28,444; following a record lost of -92,692 in 2009, the region's modern record.

The impact of sustained foreclosures, pre-foreclosure and auction notice activities (Realty Trac, 12/20/10) in concert with the high unemployment rate and stricter lender criteria as related to single-family home purchases drives the need for affordable rental housing in neighborhoods identified as "areas of greatest need" as determined by HUD's GIS Mapping Tool. In addition, low, moderate, and middle income individuals and families that have experienced foreclosure, periods of unemployment and financial uncertainty may be hesitant to commit to purchasing a home and are looking for housing alternatives and rental opportunities.

To further address the high rate of vacant, foreclosed properties in Apple Valley, NSP-3 funds will be used to implement a



down payment assistance program designed to assist qualified households whose incomes do not exceed 50 percent of area median income with conventional, FHA and other approved loan products in neighborhoods of greatest need.

Ensuring Continued Affordability:

The duration of assistance will be regulated by HOME affordability covenants meeting, at minimum, requirements set by HOME regulations will be placed on all properties participating in this program. Continued affordability for NSP-3 assisted housing will be ensured through the use of covenants/deed restrictions or complying with HOME monitoring requirements, as applicable. See Section 3 Definitions and Descriptions; Long-term Affordability.

Long-Term Affordability requirements will comply with HOME program standards at 24 CFR 92.252(a), (c), (e), (f), and 92.254. All NSP-3-assisted units will meet the affordability requirements for not less than the applicable periods determined by the amount of assistance. The affordability requirements will be imposed by use of a deed restriction on the assisted property.

Definition of Blighted Structure:

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.

Definition of Affordable Rents:

"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

Housing Rehabilitation/New Construction Standards:

The following standards will apply for all NSP-3 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-3 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. The Town of Apple Valley will encourage the use of NSP-3 Recommended Energy Efficient and Environmentally-Friendly Green Elements as identified in Attachment C in the NSP-3 Notice.

Vicinity Hiring:

The Town of Apple Valley will ensure compliance with the statutory and regulatory requirements of Section 3 in its own operations, and those of covered contractors for new employment, training, or contracting opportunities that are created during the expenditure of covered funding. Responsibilities include:

1. Implementing procedures to notify Section 3 residents[i] and business concerns[ii] about training and employment opportunities generated by Section 3 covered assistance;
2. Implementing procedures to notify Section 3 business concerns about the availability of contracting opportunities generated by Section 3 covered assistance;
3. Notifying potential contractors completing working on Section 3 covered projects of their responsibilities;
4. Incorporating the Section 3 Clause (verbatim) into all covered solicitations and contracts [see 24 CFR Part 135.38];
5. Facilitating the training and employment of Section 3 residents and the awarding of contracts to Section 3 business concerns;
6. Assisting and actively cooperating with the Department in obtaining the compliance of contractors and subcontractors;
7. Refraining from entering into contracts with contractors that are in violation with the Section 3 regulations;
8. Documenting actions taken to comply with Section 3; and
9. Submitting Section 3 annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.

Procedures for Preferences for Affordable Rental Dev.:

The Town of Apple Valley encourages and supports the development of affordable rental housing projects. The Town's adopted Strategic Plan Priorities include:

- n Expand the supply of affordable housing
- n Assist in reducing housing costs of extremely low-and low-income households
- n Preserve the existing housing stock



Some of the activities the Town may undertake include acquisition/rehabilitation of existing buildings, acquisition of land and new construction. The Town will endeavor to partner with non-profit and for-profit development entities for the purpose of developing affordable rental housing.

The development of affordable rental housing not only furthers the goals of producing mandated affordable housing in our community, but will provide numerous benefits to the community such as: (1) Neighborhood stabilization; (2) The provision of high quality, rental housing, (3) Diversification of housing stock and, (4) Assisting the Town in meeting its RHNA and Housing Element requirements.

Grantee Contact Information:

NSP3 Program Administrator Contact Information
 Name (Last, First)
 Moore, Christopher
 Email Address
 cmoore@applevalley.org
 Phone Number
 760 240-7000 extension 7921
 Mailing Address
 14955 Dale Evans Parkway, Apple Valley, CA 92307

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
001	Program Administration	01	Program Administration
002	New Construction//Acquisition for	005	New Construction LH 25% Set-aside
		02	Acquisition/New Construction MFR
004	Down Payment Assistance	004	Down Payment Assistance
03	Acquisition/Rehab for MFR Uses	03	Acquisition/Rehabilitation for MFR Uses
5	Acquisition/Rehabilitation for	001	Acquisition/Rehabilitation for Single Family Use
		002	Acquisition/Rehabilitation of Single Family Use
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / 001 / Program Administration

Grantee Activity Number: 01
Activity Title: Program Administration

Activity Type:

Administration

Project Number:

001

Projected Start Date:

03/07/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

Program Administration

Projected End Date:

03/07/2022

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 146,301.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 146,301.00

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Town of Apple Valley

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Town of Apple Valley

Organization Type

Local Government

Proposed Budget

\$ 146,301.00



Location Description:

N/A

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-3 Plan and undertake other administrative actions necessary to receive the grant.j

Environmental Assessment: EXEMPT

Environmental None

Project # / 002 / New Construction//Acquisition for MFR Uses

Grantee Activity Number: 005
Activity Title: New Construction LH 25% Set-aside

Activity Type:
Construction of new housing

Project Number:
002

Projected Start Date:
03/07/2010

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

National Objective:
LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Benefit Report Type:
Direct (Households)

Activity Status:
Under Way
Project Title:
New Construction//Acquisition for MFR
Projected End Date:
03/07/2022

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 364,428.25
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 364,428.25



Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	5			0.00
# of Households	5			0.00

Proposed Accomplishments	Total
# of Multifamily Units	5
# of Housing Units	5

Activity is being carried out by
No

Activity is being carried out through:

Organization carrying out Activity:
Town of Apple Valley

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Town of Apple Valley	Local Government	\$ 364,428.25

Location Description:

- A. Otoe Road, east to Dale Evans Parkway, south to Thunderbird Road, west to Rancherias Road, north to Otoe Road. (Exhibit 1).
- B. Sequoia Road immediately south of Bear Valley Road and west of Kiowa Road. (Exhibit 2).
- C. Ottawa Road east to Manhasset, south to Sitting Bull Road, west to Navajo Road. (Exhibit 3).
- D. Pahute Road east to Pawnee Road, south to Klamath Road, west to Algonquin Road. (Exhibit 4).
- E. Ottawa Road east to Mohawk Road, south to Lone Eagle, west to Kiowa Road. (Exhibit 5).

Activity Description:

Funds may be used for acquisition and/or construction of multi-residential rental housing or transitional housing facilities. Apple Valley may partner with non-profit or for-profit developers and may endeavor to participate in joint regional partnerships to further carry out continuum-of-care goals which may include 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 foreclosure properties purchased with NSP-3 funds shall be at least 1%.

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 02
Activity Title: Acquisition/New Construction MFR

Activity Type:
 Construction of new housing

Project Number:
 002

Projected Start Date:
 03/07/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Benefit Report Type:
 Direct (Households)

Activity Status:
 Under Way

Project Title:
 New Construction//Acquisition for MFR

Projected End Date:
 03/14/2022

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 489,863.58
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 489,863.58

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	5			0.00
# of Households	5			0.00

Proposed Accomplishments

	Total
# of Multifamily Units	5
# of Housing Units	5

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 Town of Apple Valley

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Town of Apple Valley	Local Government	\$ 489,863.58



Location Description:

- A. Otoe Road, east to Dale Evans Parkway, south to Thunderbird Road, west to Rancherias Road, north to Otoe Road. (Exhibit 1).
- B. Sequoia Road immediately south of Bear Valley Road and west of Kiowa Road. (Exhibit 2).
- C. Ottawa Road east to Manhasset, south to Sitting Bull Road, west to Navajo Road. (Exhibit 3).
- D. Pahute Road east to Pawnee Road, south to Klamath Road, west to Algonquin Road. (Exhibit 4).
- E. Ottawa Road east to Mohawk Road, south to Lone Eagle, west to Kiowa Road. (Exhibit 5).

Activity Description:

Funds may be used for acquisition and/or construction of multi-residential rental housing or transitional housing facilities. Apple Valley may partner with non-profit or for-profit developers and may endeavor to participate in joint regional partnerships to further carry out continuum-of-care goals which may include 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 foreclosure properties purchased with NSP-3 funds shall be at least 1%.

Environmental Assessment: COMPLETED

Environmental None

Project # / 004 / Down Payment Assistance

Grantee Activity Number: 004
Activity Title: Down Payment Assistance

Activity Type:
Homeownership Assistance to low- and moderate-income

Project Number:
004

Projected Start Date:
03/07/2011

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:
Completed

Project Title:
Down Payment Assistance

Projected End Date:
03/07/2022

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 104,504.84

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 104,504.84

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

Total

Low

Mod

Low/Mod%

3

0.00

of Households

3

0.00

Proposed Accomplishments

Total

of Singlefamily Units

3

of Housing Units

3

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Town of Apple Valley

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Town of Apple Valley

Organization Type

Local Government

Proposed Budget

\$ 104,504.84

Location Description:

- A. Otoe, Road east to Dale Evans Parkway, south to Thunderbird Road, west to Rancherias Road. (Exhibit 1).
- B. Bear Valley Road east to Kiowa, south to Del Oro Road, west to Deep Creek Road. (Exhibit 2).
- C. Ottawa Road east to Manhasset, south to Sitting Bull Road, west to Navajo Road. (Exhibit 3).
- D. Pahute Road east to Pawnee Road, south to Klamath road, west to Algonquin Road. (Exhibit 4).
- E. Ottawa Road east to Mohawk Road, south to Lone Eagle Road, west to Kiowa Road. (Exhibit 5).

Activity Description:

The Down Payment Assistance Program will provide down payment assistance, including closing costs, to income eligible households earning no greater than 80% of adjusted median income.

Environmental Assessment: COMPLETED

Environmental None

Project # / 03 / Acquisition/Rehab for MFR Uses

Grantee Activity Number: 03



Activity Title: Acquisition/Rehabilitation for MFR Uses

Activity Type:

Acquisition - general

Project Number:

03

Projected Start Date:

03/07/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

Acquisition/Rehab for MFR Uses

Projected End Date:

03/07/2022

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 211,000.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 211,000.00

Proposed Accomplishments

of Multifamily Units

of Housing Units

of Properties

Total

5

5

5

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Town of Apple Valley

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Town of Apple Valley

Organization Type

Local Government

Proposed Budget

\$ 211,000.00

Location Description:

A. Otoe Road, east to Dale Evans Parkway, south to Thunderbird Road, west to Rancherias Road, north to



Otoe Road. (Exhibit 1).

B. Ottawa Road east to Manhasset, south to Sitting Bull, west to Navajo Road. (Exhibit 3).

C. Pahute Road east to Pawnee Road, south to Klamath Road, west to Algonquin Road. (Exhibit 4).

D. Ottawa Road east to Mohawk Road, south to Lone Eagle, west to Kiowa Road. (Exhibit 5).

Activity Description:

Funds will be used to acquire and rehabilitate vacant foreclosed properties for the purposes of providing affordable multi-residential rental projects or transitional housing facilities. Apple Valley may partner with non-profit as well as for-profit developers and may endeavor to participate in joint regional partnerships to further carry out continuum-of-care goals which may include transitional housing. Affordability covenants meeting, at a minimum, the requirement set by HOME regulations will be placed on all properties participating in this program. The average purchase discount for all properties purchased with NSP-3funds shall be at least 1%.

Environmental Assessment: COMPLETED

Environmental None

Project # / 5 / Acquisition/Rehabilitation for Single-Family Uses

Grantee Activity Number: 001
Activity Title: Acquisition/Rehabilitation for Single Family Use

Activity Type:
Rehabilitation/reconstruction of residential structures

Project Number:
5

Projected Start Date:
10/29/2012

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

National Objective:
LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Benefit Report Type:
Direct (Households)

Activity Status:
Under Way
Project Title:
Acquisition/Rehabilitation for Single-

Projected End Date:
10/01/2022

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 133,500.00
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 133,500.00



Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	1	1		100.00
# of Households	1	1		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	1
# of Housing Units	1
# of Properties	1

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

Town of Apple Valley

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Town of Apple Valley	Local Government	\$ 133,500.00

Location Description:

Properties located within eligible NSP3 areas.

Activity Description:

Acquisition/Rehab of single family residence

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 002
Activity Title: Acquisition/Rehabilitation of Single Family Use

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 5

Projected Start Date:
 10/29/2012

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:
 Under Way

Project Title:
 Acquisition/Rehabilitation for Single-

Projected End Date:
 10/04/2022

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 213,416.33

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 200,000.00

Total Funds: \$ 413,416.33

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	3		3	100.00
# of Households	3		3	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	3
# of Housing Units	3
# of Properties	3

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 Town of Apple Valley

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Town of Apple Valley	Local Government	\$ 213,416.33



Funding Source Name

SFR Acq/Rehab resale

Matching Funds

No

Funding Amount

\$ 200,000.00

Location Description:

Properties located within the NSP3 eligible areas

Activity Description:

Acquisition/Rehab of Single Family residences

Environmental Assessment: COMPLETED**Environmental** None

Action Plan Comments:

- Reviewer - Incomplete - plan is good as far as it goes, but there are no projects or activities. Rejected 3.28.11 jwy
- Reviewer - Action Plan in DRGR is consistent with submitted paper version. Approved 3.30.11 jwy
- Reviewer - Incomplete - Project was created but the individual activity tied to the project was not. Rejected. 10/19/12.
- Reviewer - Substantial amendment to add acquisition/rehab for single family uses. Approved. 10/24/12. EOO.
- Reviewer - Technical amendment moving funds from Project 03 to Project 02 to facilitate the acquisition of vacant site for future multifamily construction project. Approved. 2/13/13.
- Reviewer - Rejected to make additional budgetary adjustments. EOO. 5/9/13.
- Reviewer - Technical amendment moving \$275K from Project 5 to Project 3. Approved. EOO. 5/13/13.
- DiGruccio, The Action Plan was amended to add some anticipated program income so that the budget for the Acquisition/Rehab for Single Family Residences could be increased. A sale is anticipated for the first activity in that project. An acquisition is in process for another property and funds will be needed shortly. Approved RMD. 4/29/14.
- DiGruccio, Grantee adjusted the budgets and obligations to fund 2011 grant, activity 001 with the funds needed to complete draws for those active projects. Approved. RMD. 5/9/14.
- DiGruccio, Adjusted the budget amount. Approved. RMD. 9/23/14.
- Reviewer - Grantee increased budget amount Project 5, Acquisition/Rehab for Single Family, Activity 002 by \$3916.33. Approved. CVC. 09.29.2014



DiGruccio, Consultants hired to update AP and assist with NSP program due to staff capacity issues. Flags being addressed upon further review. Approved. RMD. 5/1/19.

DiGruccio, Budget updates. RMD. Approved. 5/5/2020.

Action Plan History

Version	Date
B-11-MN-06-0502 AP#1	03/30/2011
B-11-MN-06-0502 AP#2	10/24/2012
B-11-MN-06-0502 AP#3	02/13/2013
B-11-MN-06-0502 AP#4	05/13/2013
B-11-MN-06-0502 AP#5	04/29/2014
B-11-MN-06-0502 AP#6	05/09/2014
B-11-MN-06-0502 AP#7	09/23/2014
B-11-MN-06-0502 AP#8	09/29/2014
B-11-MN-06-0502 AP#9	05/01/2019
B-11-MN-06-0502 AP#10	05/05/2020

