



CITY OF HESPERIA

2021-2022 AND 2022-2023 ACTION PLAN SUBSTANTIAL AMENDMENT

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EXECUTIVE SUMMARY

Background

The U.S. Department of Housing and Urban Development (HUD) requires all entitlement communities receiving Community Development Block Grant (CDBG) funds, such as the City of Hesperia, to prepare and submit a Consolidated Plan every five (5) years to establish a unified, strategic vision for economic development, housing and community development actions. The Consolidated Plan encompasses the analysis of local community needs and coordinates appropriate responses to those needs and priorities.

The Consolidated Plan is carried out through Annual Action Plans which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified in the Consolidated Plan.

In addition, in 2008, the City received funds under the Neighborhood Stabilization Program (NSP) which Congress created to counteract the negative consequences of the foreclosure crisis brought about by the housing market collapse. Since its inception, the City has since expended all its NSP grant funds and anticipates closing out the program during the 2022-2023 program year. As part of the NSP closeout process, the City is allowed to transfer program income generated under the program, over to the CDBG program to be repurposed for CDBG eligible activities.

Per the City's Citizen Participation Plan (CPP), a Substantial Amendment to a Consolidated Plan and Action Plan is required when a "substantial" change is proposed as it relates to funding priorities, proposed activities, goals and objectives. This substantial amendment to the Action Plan is necessary because the City is proposing to a) repurpose \$211,103 in prior year uncommitted CDBG funds, and b) transfer \$3,535,941 of NSP program income to the City's existing 2021-2022 Street Improvement Project.

CDBG

Uncommitted Pre-PY 2022 CDBG Funds: \$211,103

NSP

Program Income: \$3,535,941

Sources

The City will program the following resources in this substantial amendment to the PY 2022 Annual Action Plan and corresponding FY 2020-2024 Consolidated Plan (which may be found at <https://www.cityofhesperia.us/98/Community-Development-Block-Grant-Progra>) to increase the budgets for the 2021-2022 Street Improvement Project, which will be split into two (2) phases, completed simultaneously, to ensure timely completion.

Pre-PY 2022 Formula CDBG:	\$211,103
NSP Program Income:	\$3,535,941
TOTAL:	\$3,747,044

The City Council is responsible for determining how CDBG funds will be used to provide decent housing, a suitable living environment, and expanded economic opportunities principally for low- and moderate-income persons. In consultation with the City Council, City departments, and partners serving the needs of low- and moderate-income in the community, this submission to the City Council requests approval to invest the above funding for the activities listed below.

Proposed Activities

2021/2022 Street Improvement Project:

Original Allocation:	\$174,639
Proposed Increase:	\$3,747,044
Total Proposed Budget:	\$3,921,683

PROCESS

The City is conducting a 30-day public review period for this substantial amendment from October 14, 2022, through November 15, 2022. The City will conduct a public hearing for the substantial amendment as part of the November 15, 2022, City Council meeting.

To encourage review and comment on the proposed activities, the City published notices in English and Spanish in the Hesperia Resorter on Thursday, October 13, 2022, the City's website and social media accounts, advertising the substantial amendment in compliance with the City's Citizen Participation Plan. An electronic copy of the substantial amendment is available on the City's website and hard copies were made available at the City Economic Development Department, the City Clerk's Office, and the Hesperia Public Library.

To ensure reasonable participation in the public hearing, residents may attend the public hearing in person at the City Council Chambers located 9700 Seventh Avenue, Hesperia, Ca 92345 or can watch it live streamed on the City's website. Public comments can be made in-person at City Council Meetings and/or via telephone by calling ahead of time and recording a message with the City Clerk's office at (760) 947-1056. City Council meetings may be viewed live or after the event on the City's website at www.cityofhesperia.us.

Sort Order	Activity	Target Population	Summary	Summary of Comments Received
1.	Public Hearing	• Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders	The City conducted its public hearing to review the Substantial Amendment on November 15, 2022.	<i>(to be completed after public hearing)</i>
2.	Comment Period	• Minorities • Non-English Speaking • Persons with disabilities • Broad community • Residents of public/assisted housing • Stakeholders	The City conducted its comment period from October 14, 2022, through November 15, 2022.	<i>(to be completed at close of public comment period)</i>

Table 1 – Resident Engagement

EXPECTED RESOURCES – 91.220(C)(1,2)

Introduction

The City is repurposing \$211,103 from Pre-PY 2022 formula uncommitted CDBG resources and \$3,535,941 in NSP program income resources. The uncommitted resources are a result of program income generated during the 2021 PY and balances left over on completed activities.

Anticipated Resources

Program	Source of Funds	Eligible Use of Funds	Funds	Narrative Description
Formula CDBG	Public-Federal	- Public Services - Economic Development - Public Improvements - Affordable Housing - Planning and Administration	\$211,103	Activities to provide decent housing, a suitable living environment, and expanded economic opportunities principally for persons of low- and moderate- income within the City.
NSP Program Income	Public-Federal	- Public Services - Economic Development - Public Improvements - Affordable Housing - Planning and Administration <i>(after transfer)</i>	\$3,535,941	Activities to provide decent housing, a suitable living environment, and expanded economic opportunities principally for persons of low- and moderate- income within the City <i>(after transfer)</i> .

Table 2 - Expected Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

In the initial planning and programming of these resources, the Economic Development Department has worked closely with other city departments as well as monitored other funding sources available at the local, state, and federal level to ensure that the City is not providing duplicative assistance and addressing unmet needs and gaps for low- and moderate-income residents.

Annual Goals and Objectives – 91.220(c)(3)

The City will be amending its Public Facility and Infrastructure Improvements goal to repurpose Pre-PY 2022 CDBG and NSP Program Income resources. These resources will be re-programmed in the PY 2022 Action Plan and corresponding PY 2020 – PY 2024 Consolidated Plan.

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Public Facility and Infrastructure Improvements	2022	2023	Non-Housing Community Development	CDBG Low- and Moderate-Income Census Tract/Block Groups	Provide public facility and infrastructure improvements to create suitable living environment	\$3,747,044	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5,000 Persons Assisted

Table 3 – Annual Goals

PROJECTS – 91.220(D)

Introduction

With the repurposing of Pre-PY 2022 CDBG and NSP Program Income resources, the City will increase funding to the following project in the PY 2022 Annual Action Plan:

Project

#	Project Name
1.	2021-2022 Street Improvement Project

Table 4 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

This project was determined in consultation with City staff, departments, and stakeholders serving low- and moderate-income residents of Hesperia to provide decent housing, a suitable living environment, and expanded economic opportunities principally for persons of low- and moderate-income within the City.

Project Summary Information

1	Project Name	2021-2022 Street Improvement Project
	Target Area	CDBG Low- and Moderate-Income Census Tract/Block Groups
	Goals Supported	Public Facility and Infrastructure Improvements
	Needs Addressed	Provide public facility and infrastructure improvements to create suitable living environments.
	Funding	CDBG/NSP PI: \$3,747,044
	Description	Preserve and improve public facility and infrastructure to benefit low- and moderate-income people or those presumed under HUD regulations to be low- and moderate-income such as elderly people and disabled adults.
	Target Date	12/31/2023
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 5,000 persons
	Location Description	CDBG Low- and Moderate-Income Census Tract/Block Groups
	Planned Activities	The project will improve various roadways throughout the City, which will improve the safety of vehicular traffic and reduce maintenance costs. All work will be completed within existing right of way, within predominantly residential areas meeting the 51% low- and moderate-income CDBG requirement.

Table 5 – Project Details