

**HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HOUSING AUTHORITY
COMMUNITY DEVELOPMENT COMMISSION
FIRE PROTECTION DISTRICT
WATER DISTRICT
AMENDED AGENDA**

Green Sheet Item 5a added to the Consent Calendar after the posting of the agenda

*Regular Joint Meetings
1st and 3rd Tuesday*

**Date: September 18, 2018
REGULAR MEETING**

Time: 6:00 P.M. (Closed Session)
6:30 P.M. (Regular Meeting)

CITY COUNCIL MEMBERS

William J. Holland, Mayor

Rebekah Swanson, Mayor Pro Tem

Larry Bird, Council Member

Jeremiah Brosowske, Council Member

Paul Russ, Council Member

❖ - ❖ - ❖ - ❖ - ❖ - ❖ - ❖ - ❖

Nils Bentsen, City Manager

Eric L. Dunn, City Attorney



City of Hesperia

Council Chambers
9700 Seventh Avenue
Hesperia, CA 92345

City Clerk's Office: (760) 947-1007

**Agendas and Staff Reports are
available on the City Website
www.cityofhesperia.us**

Documents produced by the City and distributed less than 72 hours prior to the meeting, regarding items on the agendas, will be made available in the City Clerk's Office located at 9700 Seventh Avenue during normal business hours.



NOTE: In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (760) 947-1007 or (760) 947-1056. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility.

As a courtesy, please silence your cell phones and other electronic devices while the meeting is in session. Thank you.

Prior to action of the Council, any member of the audience will have the opportunity to address the legislative body on any item listed on the agenda, including those on the Consent Calendar.

Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

In compliance with the Brown Act, the City Council may not discuss or take action on non-agenda items or engage in question and answer sessions with the public. The City Council may ask brief questions for clarification; provide a reference to staff or other resources for factual information and direct staff to add an item to a subsequent meeting.

CLOSED SESSION - 6:00 PM

Roll Call

*Mayor William J. Holland
Mayor Pro Tem Rebekah Swanson
Council Member Larry Bird
Council Member Jeremiah Brosowske
Council Member Paul Russ*

Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(d)2

1. Victor Valley Wastewater Reclamation Authority v. City of Hesperia (Claim for Damages)

CALL TO ORDER - 6:30 PM

A. Invocation

B. Pledge of Allegiance to the Flag

C. Roll Call

*Mayor William J. Holland
Mayor Pro Tem Rebekah Swanson
Council Member Larry Bird
Council Member Jeremiah Brosowske
Council Member Paul Russ*

D. Agenda Revisions and Announcements by City Clerk

E. Closed Session Reports by City Attorney

ANNOUNCEMENTS/PRESENTATIONS

1. Employee of the Month for September to Glenn Janzen, Building Inspector by Mike Hearn, Building Official
2. Presentation to the graduating members of the 2018 Citizen's Academy by Mayor Holland
3. Presentation of Proclamation for Crime Prevention Month to the Citizens for Safer Communities
4. Community Events Calendar

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

Individuals wishing to speak during General Public Comments or on a particular numbered item must submit a speaker slip to the City Clerk with the agenda item noted. Speaker slips should be turned in prior to the public comment portion of the joint agenda or before an agenda item is discussed. Comments will be limited to three minutes for General Public Comments, Consent Calendar items and New Business items. Comments are limited to five minutes for Public Hearing items.

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JOINT CONSENT CALENDAR

1. Page 7 Consideration of the Draft Minutes from the Regular Meeting held Tuesday, September 4, 2018

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, September 4, 2018.

Staff Person: City Clerk Melinda Sayre

Attachments: [Draft CC Min 2018-09-04](#)

2. Page 11 Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - Water)

Recommended Action:

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Warrant Run 9-18-2018](#)

[Attachment 1 - Warrant Runs](#)

3. Page 13 Treasurer's Cash Report for the unaudited period ended July 31, 2018

Recommended Action:

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

Staff Person: Director of Finance Casey Brooksher

Attachments: [SR Treasurer's Report 9-18-2018](#)
[Attachment 1 - Investment Reports](#)

4. Page 23 Approve Measure I Capital Project Needs Analysis FY 2019/20 through 2023/24

Recommended Action:

It is recommended that the Mayor and Council Members adopt Resolution No. 2018-058 approving the Measure I Five-Year Capital Project Needs Analysis submittal to the San Bernardino County Transportation Authority (SBCTA) for Fiscal Years 2019/2020 through 2023/2024.

Staff Person: Assistant City Manager Michael Blay

Attachments: [SR Measure I Capital Project Needs Analysis 9-18-2018](#)
[Resolution 2018-058](#)
[Attachment 2 - Measure I CPNA Submittals](#)

5. Page 29 Consideration of the Biennial Update of the City's Statement of Economic Interests Designated Employee Filing Roster

Recommended Action:

It is recommended that the City Council and Water District Board adopt the Fair Political Practices Commission required biennial update of the City's Statement of Economic Interest Employee Filing Roster (Conflict-of-Interest Code) for designated employees through adoption of Joint Resolution No. 2018-62 and HWD 2018-21.

Staff Person: City Clerk Melinda Sayre

Attachments: [SR Conflict of Interest Biennial Update 9-18-2018](#)
[Joint Resolution](#)
[Attachment 2 - Exhibit A Designated Employees](#)
[Attachment 3 - Exhibit B Disclosure Categories](#)

PUBLIC HEARINGS

Individuals wishing to comment on public hearing items must submit a speaker slip to the City Clerk with the numbered agenda item noted. Speaker slips should be turned in prior to an agenda item being taken up. Comments will be limited to five minutes for Public Hearing items.

WAIVE READING OF ORDINANCES

Approve the reading by title of all ordinances and declare that said titles which appear on the public agenda shall be determined to have been read by title and further reading waived.

PUBLIC HEARING

6. Page 35 Substantial Amendment to the Community Development Block Grant (CDBG) 2015-2019 Consolidated Plan and 2016-2017 Action Plan

Recommended Action:

It is recommended that the City Council: 1) Conduct a public hearing and upon accepting public testimony adopt Resolution No. 2018-59 including any modifications or amendments thereto; 2) Approve a Substantial Amendment to the Community Development Block Grant ("CDBG") 2015-2019 Consolidated Plan ("Con Plan") which will eliminate Goal 8, "Affordable Housing" and the funding related to it; 3) Approve a Substantial Amendment to the 2016-2017 Annual Action Plan ("Action Plan") by eliminating the First Time Home Buyer Program (FTHBP) activity and reprogram Two Hundred Thousand dollars (\$200,000) to the 2018-19 CDBG Street Improvements Project; and 4) Authorize the City Manager and/or Economic Development Manager to execute and transmit all necessary documents, including the Substantial Amendment to the Con Plan and Action Plan, and any additional amendments, to assure the City's timely expenditure of CDBG funds.

Staff Person: Economic Development Manager Rod Yahnke

Attachments: [SR Substantial Amendment 9-18-2018](#)

[Attachment 1 - Substantial Amendment](#)

[Resolution 2018-59](#)

7. Page 43 PY 2017-2018 Community Development Block Grant (CDBG), Consolidated Annual Performance and Evaluation Report (CAPER)

Recommended Action:

It is recommended that the City Council conduct a public hearing and upon accepting public testimony: 1) Approve the Program Year 2017-2018 Consolidated Annual Performance Evaluation Report ("CAPER"); and 2) Authorize the City Manager or his designee to submit the Program Year 2017-2018 CAPER to the U.S. Department of Housing and Urban Development ("HUD"), along with any public testimony and changes thereto as directed by the City Council.

Staff Person: Economic Development Manager Rod Yahnke

Attachments: [SR Consolidated Annual Plan Report 9-18-2018](#)

[Attachment 1 - Exhibit A](#)

NEW BUSINESS

8. Page 81 Resolutions Supporting Statewide Propositions on the November 6, 2018 General Election Ballot

Recommended Action:

It is recommended that the City Council adopt Resolution No. 2018-60,

supporting Proposition 6, which would repeal Senate Bill 1 (SB 1), known as the "Road Repair and Accountability Act" and adopt Resolution No. 2018-61, supporting Proposition 5, the Property Tax Transfer Initiative, which would amend Proposition 13.

Staff Person: Management Analyst Julie Ryan

Attachments: [SR Resolutions Supporting Propositions 9-18-2018](#)
[Resolution 2018-60](#)
[Resolution 2018-61](#)

COUNCIL COMMITTEE REPORTS AND COMMENTS

The Council may report on their activities as appointed representatives of the City on various Boards and Committees and/or may make comments of general interest or report on their activities as a representative of the City.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

The City Manager, City Attorney or staff may make announcements or reports concerning items of interest to the Council and the public.

ADJOURNMENT

I, Melinda Sayre, City Clerk of the City of Hesperia, California do hereby certify that I caused to be posted the foregoing agenda on Thursday, September 12, 2018 at 5:30 p.m. pursuant to California Government Code §54954.2.

Melinda Sayre,
City Clerk

Documents produced by the City and distributed less than 72 hours prior to the meeting regarding items on the agenda will be made available in the City Clerk's Office during normal business hours.

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City of Hesperia

Meeting Minutes - Draft

City Council

City Council Chambers
9700 Seventh Ave.
Hesperia CA, 92345

Tuesday, September 4, 2018

6:30 PM

**REGULAR MEETING AGENDA
HESPERIA CITY COUNCIL
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
HESPERIA HOUSING AUTHORITY
HESPERIA COMMUNITY DEVELOPMENT COMMISSION
HESPERIA FIRE PROTECTION DISTRICT
HESPERIA WATER DISTRICT**

CLOSED SESSION - 5:30 PM

Roll Call

Present: 5 - Mayor William J. Holland, Mayor Pro Tem Swanson, Council Member Bird, Council Member Russ and Council Member Brosowske

Conference with Legal Counsel - Potential Litigation:
Government Code Section 54956.9(d)2

1. One (1) case

CALL TO ORDER - 6:36 PM

- A. Invocation by David Moore of Church of Jesus Christ of Latter-day Saints**
- B. Pledge of Allegiance to the Flag**
- C. Roll Call**

Present: 5 - Mayor William J. Holland, Mayor Pro Tem Swanson, Council Member Bird, Council Member Brosowske and Council Member Russ

- D. Agenda Revisions and Announcements by City Clerk - None**
- E. Closed Session Reports by City Attorney - *Direction was given to staff. No reportable action taken***

ANNOUNCEMENTS/PRESENTATIONS

1. Community Events Calendar – *Main Street closures between C Avenue and Timberlane beginning at 6am for the 70th Annual Hesperia Days Parade on 9/15; The Hesperia Station is offering a free two-hour teen driving class on 9/19 at 6pm in the Police Community Room.*

GENERAL PUBLIC COMMENTS (For items and matters not listed on the agenda)

Al Vogler commented on the appointment of Council Member Brosowske.
Daniel Krist commented on various community issues.
Bob Nelson commented on a letter to the editor he sent to the Daily Press that was not printed.
Brett Kahn commented on the County-wide Vision Plan.
Bill Jenson commented on the County-wide Vision Plan.

JOINT CONSENT CALENDAR

A motion was made by Brosowske, seconded by Swanson, that Consent Calendar items 1-2 and 4-7 be approved. The motion carried by the following vote:

Aye: 5 - Holland, Swanson, Bird, Brosowske and Russ

Nay: 0

1. Consideration of the Draft Minutes from the Regular Meeting held Tuesday, August 21, 2018 and the Special Meeting held Tuesday, August 21, 2018 for the Hesperia Joint Public Finance Authority

Recommended Action:

It is recommended that the City Council approve the Draft Minutes from the Regular Meeting held Tuesday, August 21, 2018 and the Special Meeting held Tuesday, August 21, 2018 for the Hesperia Joint Public Finance Authority.

Sponsors: City Clerk Melinda Sayre

2. Warrant Run Report (City - Successor Agency - Housing Authority - Community Development Commission - Fire - Water)

Recommended Action:

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

Sponsors: Director of Finance Casey Brooksher

3. Fiscal Year 2018/19 - 2022/23 Five Year Measure I Capital Improvement Plan

Recommended Action:

It is recommended that the City Council adopt Resolution No. 2018-057 approving the Measure I Five Year Capital Improvement Plan and Expense Strategy for Fiscal Years 2018/19 - 2022/23.

Sponsors: Assistant City Manager Michael Blay

Item 3 was pulled by Council Member Russ.

A motion was made by Russ, seconded by Swanson, that this item be approved. The motion carried by the following vote:

Aye: 5 - Holland, Swanson, Bird, Brosowske and Russ

Nay: 0

4. Community Facilities District (CFD) 94-01, Annexation 196

Recommended Action:

It is recommended that the Hesperia Fire Protection District (HFPD) Board of Directors adopt Resolution No. HFPD 2018-19 admitting Annexation 196 (APN 0397-111-03) into the Community Facilities District (CFD) 94-01 and direct the Secretary of the Board to file the addition with the County Recorder.

Sponsors: Fire Assistant Chief Ron Walls

5. Recondition Paving Equipment

Recommended Action:

It is recommended that the City Council authorize the City Manager to execute a Purchase Order in the not-to-exceed amount of \$70,000, to recondition paving equipment from PB Loader Corporation of Fresno, California.

Sponsors: Public Works Manager Mark Faherty

6. Approve Contract Change Order and Increase Contract Amount for Recycled Water System - Phase 1A, C.O. No. 8087

Recommended Action:

It is recommended that the Board of Directors of the Hesperia Water District approve the proposed Contract Change Order to the contract with Christensen Brothers General Engineering, Inc. for Recycled Water System - Phase 1A (C.O. No. 8087) in the amount of \$730,107; approve an additional 10% contingency in the amount of \$72,893; and authorize a revised total construction budget of \$7,111,056 in order to increase the contract scope of work.

Sponsors: Assistant City Manager Michael Blay

7. Residential Purchase Agreement - 9990 9th Avenue

Recommended Action:

It is recommended that the Hesperia Housing Authority (HHA) adopt Resolution No. HHA 2018-13: (i) approving the "Residential Purchase Agreement and Joint Escrow Instructions" (Agreement) for real property located at 9990 9th Avenue, Assessor's Parcel Number 0407-141-16 (Property) by and between Kristin Nicole Vinson (Buyer) and the Hesperia Housing Authority (Seller); and (ii) authorizing the Executive Director to execute all documents necessary to consummate the transaction.

Sponsors: Economic Development Manager Rod Yahnke

COUNCIL COMMITTEE REPORTS AND COMMENTS

Council Member Russ commented on attendance at the AQMD meeting.

Council Member Brosowske commented on the County-wide Vision Plan and Proposition 5 and Proposition 6 scheduled for the next agenda.

Council Member Bird commented on attendance at the VVWRA meeting, requested that an item be agendaized to review Council Member behavior in the City Council Procedures Manual, requested that the City Attorney review Conflict of Interest and Council recusal from items at an upcoming meeting, and requested that all Council Members be made aware of any requests made by fellow Council Members.

Mayor Pro Tem Swanson commented on attendance at the Tri-Agency meeting and the upcoming State of the City at the Chamber of Commerce luncheon.

Mayor Holland commented on the State of the City and City expansion.

CITY MANAGER/CITY ATTORNEY/STAFF REPORTS

None

ADJOURNMENT

Mayor Holland adjourned the meeting at 7:13 p.m. in memory of Senator John McCain.

*Melinda Sayre,
City Clerk*

City of Hesperia STAFF REPORT



DATE: September 18, 2018

TO: Mayor and Council Members
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency
Chair and Commissioners, Hesperia Housing Authority
Chair and Commissioners, Community Development Commission
Chair and Board Members, Hesperia Fire Protection District
Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance
Anne Duke, Deputy Finance Director
Keith Cheong, Financial Analyst

SUBJECT: Warrant Run Report (City – Successor Agency – Housing Authority – Community Development Commission – Fire – Water)

RECOMMENDED ACTION

It is recommended that the Council/Board ratify the warrant run and payroll report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

BACKGROUND

The Warrant Run totals represented below are for the period August 11, 2018 through August 31, 2018.

<u>Agency/District</u>	<u>Accounts Payable</u>	<u>Payroll</u>	<u>Wires</u>	<u>Totals</u>
City of Hesperia	\$2,264,599.11	\$239,521.21	\$0.00	\$2,504,120.32
Successor Agency	8,199,380.70	0.00	0.00	8,199,380.70
Housing Authority	4,605.31	2,038.37	0.00	6,643.68
Community Development Commission	(752.92)	3,877.54	0.00	3,124.62
Fire	18,563.72	0.00	0.00	18,563.72
Water	626,957.82	97,339.28	0.00	724,297.10
Totals	\$11,113,353.74	\$342,776.40	\$0.00	\$11,456,130.14

* Includes debt service payments made via Automated Clearing House (ACH) electronic deposit of funds.

ATTACHMENT(S)

1. Warrant Runs

City of Hesperia
WARRANT RUNS
08/11/2018 - 08/31/2018

FUND #	FUND NAME	W/E 8/17/2018	W/E 8/24/2018	W/E 8/31/2018	WARRANT TOTALS	Wires	YEAR-TO DATE TOTALS *	PRIOR FY YTD DATE TOTALS
Accounts Payable								
100	GENERAL	\$ 78,874.20	\$ 243,916.97	\$ 88,164.03	\$ 410,955.20	\$ -	\$ 5,113,920.74	\$ 5,039,191.77
204	MEASURE I - RENEWAL	\$ 4,965.00	\$ -	\$ -	\$ 4,965.00	\$ -	\$ 212,802.50	\$ 64,905.10
205	GAS TAX	\$ 4,795.00	\$ -	\$ -	\$ 4,795.00	\$ -	\$ 4,795.00	\$ 18,540.11
207	LOCAL TRANSPORT-SB 325	\$ 1,295.00	\$ 23,233.69	\$ -	\$ 24,528.69	\$ -	\$ 101,747.87	\$ 20,732.44
209	GAS TAX-RMRA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
251	CDBG	\$ 7,615.86	\$ 43.92	\$ 3,108.75	\$ 10,768.53	\$ -	\$ 56,128.91	\$ 77,294.96
254	AB2766 - TRANSIT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
256	ENVIRONMENTAL PROGRAMS GRANT	\$ 25.00	\$ 43.38	\$ 1,432.90	\$ 1,501.28	\$ -	\$ 9,968.50	\$ 5,161.41
257	NEIGHBORHOOD STABILIZATION PROG	\$ 665.05	\$ 48.87	\$ 11,155.92	\$ 11,869.84	\$ -	\$ 18,779.33	\$ 1,646.52
260	DISASTER PREPARED GRANT	\$ -	\$ -	\$ 614.62	\$ 614.62	\$ -	\$ 2,986.66	\$ 1,126.82
263	STREETS MAINTENANCE	\$ 18,821.93	\$ 28,652.25	\$ 70,341.71	\$ 117,815.89	\$ -	\$ 632,099.36	\$ 589,334.11
300	DEV. IMPACT FEES - STREET	\$ -	\$ 5,745.73	\$ -	\$ 5,745.73	\$ -	\$ 111,320.74	\$ 40,677.27
301	DEV. IMPACT FEES - STORM DRAIN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,560.00	\$ 2,000.00
402	WATER RIGHTS ACQUISITION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
403	2013 REFUNDING LEASE REV BONDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504	CITY WIDE STREETS - CIP	\$ -	\$ 5,228.23	\$ -	\$ 5,228.23	\$ -	\$ 22,117.23	\$ -
800	EMPLOYEE BENEFITS	\$ 290,777.50	\$ 39,310.10	\$ 295,799.03	\$ 625,886.63	\$ -	\$ 1,422,638.11	\$ 1,079,721.53
801	TRUST/AGENCY	\$ 13,827.75	\$ 212,875.67	\$ 10,915.83	\$ 237,619.25	\$ -	\$ 273,415.41	\$ 184,492.38
802	AD 91-1 AGENCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 951.50
804	TRUST-INTEREST BEARING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67.50	\$ 11,235.42
807	CFD 2005-1	\$ -	\$ -	\$ 802,305.22	\$ 802,305.22	\$ -	\$ 802,305.22	\$ 785,000.79
	CITY	\$ 421,662.29	\$ 559,098.81	\$ 1,283,838.01	\$ 2,264,599.11	\$ -	\$ 8,802,653.08	\$ 7,922,012.13
200	HESPERIA FIRE DISTRICT	\$ 7,065.39	\$ 3,282.98	\$ 8,215.35	\$ 18,563.72	\$ -	\$ 2,648,864.93	\$ 674,034.17
502	FIRE STATION BUILDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,766.87	\$ 293,131.66
	FIRE	\$ 7,065.39	\$ 3,282.98	\$ 8,215.35	\$ 18,563.72	\$ -	\$ 2,651,631.80	\$ 967,165.83
160	REDEVELOP OBLIG RETIREMENT - PA1	\$ -	\$ -	\$ 5,300,147.93	\$ 5,300,147.93	\$ -	\$ 5,302,466.20	\$ 5,249,416.73
161	REDEVELOP OBLIG RETIREMENT - PA2	\$ -	\$ -	\$ 425,989.18	\$ 425,989.18	\$ -	\$ 426,245.91	\$ 424,785.13
162	REDEVELOP OBLIG RETIREMENT-HOUSING	\$ -	\$ -	\$ 2,473,243.59	\$ 2,473,243.59	\$ -	\$ 2,473,243.59	\$ 2,455,736.53
173	SUCCESSOR AGENCY ADMINISTRATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,005.00	\$ -
	SUCCESSOR AGENCY	\$ -	\$ -	\$ 8,199,380.70	\$ 8,199,380.70	\$ -	\$ 8,205,960.70	\$ 8,129,938.39
370	HOUSING AUTHORITY	\$ 2,326.36	\$ 2,042.82	\$ 236.13	\$ 4,605.31	\$ -	\$ 71,525.75	\$ 32,336.37
	HOUSING AUTHORITY	\$ 2,326.36	\$ 2,042.82	\$ 236.13	\$ 4,605.31	\$ -	\$ 71,525.75	\$ 32,336.37
170	COMMUNITY DEVELOPMENT COMMISSION	\$ (4,754.27)	\$ 4,001.35	\$ -	\$ (752.92)	\$ -	\$ 111,646.32	\$ 106,512.21
	COMMUNITY DEVELOPMENT COMMISSION	\$ (4,754.27)	\$ 4,001.35	\$ -	\$ (752.92)	\$ -	\$ 111,646.32	\$ 106,512.21
700	WATER OPERATING	\$ 41,290.97	\$ 71,298.21	\$ 284,353.52	\$ 396,942.70	\$ -	\$ 1,240,711.96	\$ 2,316,784.30
701	WATER CAPITAL	\$ -	\$ -	\$ 484.00	\$ 484.00	\$ -	\$ 123,568.28	\$ 110,182.44
710	SEWER OPERATING	\$ 1,250.04	\$ 1,856.07	\$ 226,425.01	\$ 229,531.12	\$ -	\$ 304,669.56	\$ 114,183.46
711	SEWER CAPITAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,626.30	\$ -
	WATER	\$ 42,541.01	\$ 73,154.28	\$ 511,262.53	\$ 626,957.82	\$ -	\$ 1,715,576.10	\$ 2,541,150.20
	ACCOUNTS PAYABLE TOTAL	\$ 468,840.78	\$ 641,580.24	\$ 10,002,932.72	\$ 11,113,353.74	\$ -	\$ 21,558,993.75	\$ 19,699,115.13
REG. PAYROLL								
	City	\$ -	\$ 239,521.21	\$ -	\$ 239,521.21	\$ -	\$ 944,814.89	\$ 877,884.56
	Housing Authority	\$ -	\$ 2,038.37	\$ -	\$ 2,038.37	\$ -	\$ 9,793.54	\$ 15,361.50
	Community Development Commission	\$ -	\$ 3,877.54	\$ -	\$ 3,877.54	\$ -	\$ 15,409.04	\$ 27,682.69
	Water	\$ -	\$ 97,339.28	\$ -	\$ 97,339.28	\$ -	\$ 392,445.40	\$ 373,938.13
	PAYROLL TOTAL	\$ -	\$ 342,776.40	\$ -	\$ 342,776.40	\$ -	\$ 1,362,462.87	\$ 1,294,866.88

* The year to date totals for this Warrant Report are for the 2018-19 fiscal year starting July 1, 2018.

City of Hesperia STAFF REPORT



DATE: September 18, 2018

TO: Mayor and Council Members
City Council, as Successor Agency to the Hesperia Community Redevelopment Agency
Chair and Commissioners, Hesperia Housing Authority
Chair and Commissioners, Community Development Commission
Chair and Board Members, Hesperia Fire Protection District
Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

BY: Casey Brooksher, Director of Finance
Anne Duke, Deputy Finance Director
Robert Worby, Financial Analyst

SUBJECT: Treasurer's Cash Report for the unaudited period ended July 31, 2018

RECOMMENDED ACTION

It is recommended that the Council/Board accept the Treasurer's Cash Report for the City, Successor Agency to the Hesperia Community Redevelopment Agency, Hesperia Housing Authority, Community Development Commission, Fire District, and Water District.

BACKGROUND

This report is presented to the City Council pursuant to Government Code Section 53646 (b) setting forth the City's investment portfolio.

ISSUES/ANALYSIS

The Treasurer's Cash Reports are presented on the following pages for each agency.

FISCAL IMPACT

These reports reflect unaudited cash balances as of July 31, 2018.

ALTERNATIVE(S)

Provide alternative direction to staff.

ATTACHMENT(S)

1. City of Hesperia Investment Report
2. Successor Agency to the Hesperia Community Redevelopment Agency Investment Report
3. Hesperia Housing Authority Investment Report
4. Community Development Commission Investment Report
5. Hesperia Fire Protection District Investment Report
6. Hesperia Water District Investment Report

CITY OF HESPERIA

<u>FUND</u>	<u>VALUE</u>
General Fund (100 & 800)	\$ 3,887,135.36
AB27666 - Transit (254)	50,507.16
AB3229 Supplemental Law (255)	62,484.77
AD No. 91-1 (802)	356,627.91
Beverage Recycling Grant (256)	121,244.03
CFD 2005-1 (807)	1,352,988.09
City Wide-Capital Projects (504)	(25,173.14)
City Facilities CIP (509)	620,894.15
Community Dev Block Grant (251, 252, & 253)	534,252.04
Development Impact Fund (300-304)	9,801,921.45
Disaster (260)	22,793.49
Gas Tax Fund (205)	250,244.16
Gas Tax - RMRA (209)	(38,913.11)
Gas Tax Swap (206)	118,525.26
Local Transportation SB325 (207)	(207,275.96)
Measure I - Renewal (204)	3,492,053.09
Neighborhood Stabilization Prog (257)	2,114,344.20
Public Works Street Maint (263)	415,998.22
Trust Fund (801, 803-806, & 815)	1,904,964.12
2012 Water Rights Acquisition (402)	15,524.28
2013 Refunding Lease Rev Bonds (403)	133,773.74
TOTAL CITY FUNDS	<u><u>\$ 24,984,913.31</u></u>

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

<u>FUND</u>	<u>VALUE</u>
Redevelop Oblig Retirement - PA1 (160)	4,771,796.23
Redevelop Oblig Retirement - PA2 (161)	635,837.66
Redevelop Oblig Retirement-Housing (162)	3,500,455.16
TOTAL SUCCESSOR AGENCY FUNDS	<u><u>\$ 8,908,089.05</u></u>

HESPERIA HOUSING AUTHORITY

<u>FUND</u>	<u>VALUE</u>
Hesperia Housing Authority Fund (370)	\$ 3,204,403.83
VVEDA Housing Authority (371)	1,739,861.22
TOTAL HOUSING AUTHORITY FUNDS	<u><u>\$ 4,944,265.05</u></u>

COMMUNITY DEVELOPMENT COMMISSION

<u>FUND</u>	<u>VALUE</u>
Community Development Commission Fund (170)	<u>\$ (494,661.84)</u>

FIRE

<u>FUND</u>	<u>VALUE</u>
Fire District Fund (200)	\$ (1,135,275.61)
Fire Station Building (502)	6,812,627.27
TOTAL FIRE FUNDS	<u>\$ 5,677,351.66</u>

WATER

<u>FUND</u>	<u>VALUE</u>
Water Operating (700)	\$ 5,099,517.29
Water Capital (701)	(13,231,708.43)
Sewer Operating (710)	13,317,798.68
Sewer Capital (711)	4,046,790.84
TOTAL WATER FUNDS	<u>\$ 9,232,398.38</u>

City of Hesperia
Investment Report
Unaudited
July 31, 2018

ATTACHMENT 1

<u>Type of Investment</u>	<u>Institution/ Fiscal Agent</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	1.944%	31-Jul-18	Demand	\$ 19,472,093.87	19,472,093.87	19,472,093.87	
Money Market	Bank of the West	1.410%	31-Jul-18	Demand	3,580,676.86	3,580,676.86	3,580,676.86	
Citizens Business Bank Checking	Citizens Bus Bank	n/a	31-Jul-18	Demand	1,932,142.58	1,932,142.58	1,932,142.58	
Total Unaudited Investments under the direction of the City					\$ 24,984,913.31	\$ 24,984,913.31	\$ 24,984,913.31	


Investments under the direction of fiscal agents:

2012 Lease Revenue Bonds	Union	1.850%	31-Jul-18	Demand	171.73	171.73	171.73	2012 - Water Rights Revenue Fund
2012 Lease Revenue Bonds	Union	0.000%	31-Jul-18	Demand	-	-	-	2012 - Water Rights Interest Fund
2012 Lease Revenue Bonds	Union	0.000%	31-Jul-18	Demand	-	-	-	2012 - Water Rights Principal Fund
2012 Lease Revenue Bonds	Union	1.850%	31-Jul-18	Demand	1,459,751.57	1,459,751.57	1,459,751.57	2012 - Water Rights Reserve Fund
2013 Refunding Lease Revenue Bonds	Union	1.850%	31-Jul-18	Demand	185.81	185.81	185.81	2005 Civic Plaza - Revenue Fund
2013 Refunding Lease Revenue Bonds	Union	0.000%	31-Jul-18	Demand	-	-	-	2005 Civic Plaza - Interest Fund
2013 Refunding Lease Revenue Bonds	Union	1.850%	31-Jul-18	Demand	1,155,782.41	1,155,782.41	1,155,782.41	2005 Civic Plaza - Reserve Fund
2014 CFD 2005-1 Refunding	Union	1.840%	31-Jul-18	Demand	54.24	54.24	54.24	2014 CFD 05-1 - Special Tax Fund
2014 CFD 2005-1 Refunding	Union	1.850%	31-Jul-18	Demand	41.16	41.16	41.16	2014 CFD 05-1 - Bond Fund
2014 CFD 2005-1 Refunding	Union	1.850%	31-Jul-18	Demand	1,438,555.63	1,438,555.63	1,438,555.63	2014 CFD 05-1 - Reserve Fund
2014 CFD 2005-1 Refunding	Union	1.850%	31-Jul-18	Demand	23,085.70	23,085.70	23,085.70	2014 CFD 05-1 Administrative Expense Bonds
Deposits W/Other Agencies	Various	n/a	31-Jul-18	n/a	-	-	-	GL 1350
Deposits - Workers' Comp	PERMA	n/a	31-Jul-18	n/a	905,516.93	905,516.93	905,516.93	GL 1352
Total Unaudited Investments under the direction of fiscal agents					\$ 4,983,145.18	4,983,145.18	4,983,145.18	

Please Note: All market value data is provided courtesy of the City's fiscal agents,
Union Bank of California & Bank of New York (BNY) Trust Company.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

* Note: 2005 Certificates of Participation began in May 2005 for the financing of the Civic Plaza.


Virginia Villasenor, Senior Accountant

Investment Report

Unaudited

July 31, 2018

Type of Investment	Issuer/ Institution	Interest Rate	Date of Purchase	Date of Maturity	Par Value at Maturity	Book Value	Market Value	Account Description
Investments under the direction of the City:								
Local Agency Investment Funds	State of Calif.	1.944%	31-Jul-18	Demand	\$ 6,942,555.45	\$ 6,942,555.45	6,942,555.45	
Money Market	Bank of the West	1.410%	31-Jul-18	Demand	1,276,649.95	1,276,649.95	1,276,649.95	
Citizens Business Bank Checking	Citizens Bus Bank	n/a	31-Jul-18	Demand	688,883.65	688,883.65	688,883.65	
Total Unaudited Investments under the direction of the City					\$ 8,908,089.05	\$ 8,908,089.05	\$ 8,908,089.05	


Investments under the direction of fiscal agents:

2005 Tax Allocation Bonds	Union	1.850%	31-Jul-18	Demand	179.10	179.10	179.10	2005A - Interest Account
2005 Tax Allocation Bonds	Union	1.850%	31-Jul-18	Demand	171.77	171.77	171.77	2005A - Principal Account
2005 Tax Allocation Bonds	Union	1.850%	31-Jul-18	Demand	2,298,696.03	2,298,696.03	2,298,696.03	2005A - Reserve Account
2005 Tax Allocation Bonds	Union	1.850%	31-Jul-18	Demand	255,418.99	255,418.99	255,418.99	2005A - Reserve Account
2007 Revenue Bonds	Union	0.000%	31-Jul-18	Demand	1.00	1.00	1.00	2007A - Revenue Account
2007 Revenue Bonds	Union	1.850%	31-Jul-18	Demand	94.66	94.66	94.66	2007A - Interest Account
2007 Revenue Bonds	Union	1.850%	31-Jul-18	Demand	206.49	206.49	206.49	2007A - Principal Account
2007 Revenue Bonds	Union	1.850%	31-Jul-18	Demand	6,078,944.96	6,078,944.96	6,078,944.96	2007A - Proj. 1 - Reserve Account
2007 Revenue Bonds	Union	1.850%	31-Jul-18	Demand	479,470.89	479,470.89	479,470.89	2007A - Proj. 2 - Reserve Account
2007 Revenue Bonds	Union	1.850%	31-Jul-18	Demand	3,237,959.81	3,237,959.81	3,237,959.81	2007A - Housing - Reserve Account
2007 Revenue Bonds	Union	0.000%	31-Jul-18	Demand	1.00	1.00	1.00	2007B - Revenue Account
2007 Revenue Bonds	Union	1.790%	31-Jul-18	Demand	6.16	6.16	6.16	2007B - Interest Account
2007 Revenue Bonds	Union	1.850%	31-Jul-18	Demand	141.46	141.46	141.46	2007B - Principal Account
2007 Revenue Bonds	Union	1.950%	31-Jul-18	Demand	3.07	3.07	3.07	2007B - Proj. 1 - Reserve Account
2007 Revenue Bonds	Union	1.860%	31-Jul-18	Demand	3.76	3.76	3.76	2007B - Proj. 2 - Reserve Account
2007 Revenue Bonds	Union	1.850%	31-Jul-18	Demand	593,045.28	593,045.28	593,045.28	2007B - Housing - Reserve Account
Deposits w/Other Agencies	Various	n/a	31-Jul-18	Demand	-	-	-	GL 1350
Total Unaudited Investments under the direction of fiscal agents					\$ 12,944,344.43	\$ 12,944,344.43	\$ 12,944,344.43	

Please Note: All market value data is provided courtesy of the City's fiscal agent
Union Bank of California.

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.

* Note: The 1994 A, B & C Notes were refinanced to 2005 Series Bonds in May 2005.


Virginia Villaseñor, Senior Accountant

Hesperia Housing Authority

ATTACHMENT 3

Investment Report

Unaudited

July 31, 2018

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	1.944%	31-Jul-18	Demand	\$ 3,853,333.09	3,853,333.09	3,853,333.09
Money Market	Bank of the West	1.410%	31-Jul-18	Demand	708,580.22	708,580.22	708,580.22
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Jul-18	Demand	382,351.74	382,351.74	382,351.74
Total Unaudited Investments under the direction of the City					\$ 4,944,265.05	\$ 4,944,265.05	\$ 4,944,265.05

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.


Virginia Villasenor, Senior Accountant

Investment Report**Unaudited****July 31, 2018**

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	1.944%	31-Jul-18	Demand	\$ (385,516.72)	(385,516.72)	(385,516.72)
Money Market	Bank of the West	1.410%	31-Jul-18	Demand	(70,891.75)	(70,891.75)	(70,891.75)
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Jul-18	Demand	(38,253.37)	(38,253.37)	(38,253.37)
Total Unaudited Investments under the direction of the City					\$ (494,661.84)	\$ (494,661.84)	\$ (494,661.84)

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.


Virginia Villasenor, Senior Accountant

Hesperia Fire District
Investment Report
Unaudited
July 31, 2018

ATTACHMENT 5

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>
Investments under the direction of the City:							
Local Agency Investment Funds	State of California	1.944%	31-Jul-18	Demand	\$ 4,424,667.12	4,424,667.12	4,424,667.12
Money Market	Bank of the West	1.410%	31-Jul-18	Demand	813,641.47	813,641.47	813,641.47
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Jul-18	Demand	439,043.07	439,043.07	439,043.07
Total Unaudited Investments under the direction of the City					\$ 5,677,351.66	\$ 5,677,351.66	\$ 5,677,351.66

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.


 Virginia Villasenor, Senior Accountant

Hesperia Water District
Investment Report
Unaudited
July 31, 2018

ATTACHMENT 6

<u>Type of Investment</u>	<u>Issuer/ Institution</u>	<u>Interest Rate</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Par Value at Maturity</u>	<u>Book Value</u>	<u>Market Value</u>	<u>Account Description</u>
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Investments under the direction of the City:

Local Agency Investment Funds	State of California	1.944%	31-Jul-18	Demand	\$ 7,195,307.25	7,195,307.25	7,195,307.25	
Money Market	Bank of the West	1.410%	31-Jul-18	Demand	1,323,127.87	1,323,127.87	1,323,127.87	
Citizens Business Bank Checking	Citizens Business Bank	n/a	31-Jul-18	Demand	713,963.26	713,963.26	713,963.26	
Total Unaudited Investments under the direction of the City					\$ 9,232,398.38	\$ 9,232,398.38	\$ 9,232,398.38	

Investments under the direction of fiscal agents:

First American Treas - Money Market	US Bank	0.000%	31-Jul-18	Demand	8,928.43	8,928.43	8,928.43	98 A&B - 95453340
First American Treas - Money Market	US Bank	0.000%	31-Jul-18	Demand	31.32	32.32	31.32	98 A&B - 95453341
First American Treas - Money Market	US Bank	0.000%	31-Jul-18	Demand	0.00	0.00	0.00	98 A&B - 95453346
98 A & B Dep w/Trustee - Collateral	Bank of America	n/a	31-Jul-18	Demand	1,880,000.00	1,880,000.00	1,880,000.00	GL 1319
Deposits - Workers' Comp	PERMA	n/a	31-Jul-18	n/a	503,561.67	503,561.67	503,561.67	GL 1352
Deposits w/Other Agencies	Various	n/a	31-Jul-18	n/a	0.00	0.00	0.00	GL 1350
Total Unaudited Investments under the direction of fiscal agents					\$ 2,392,521.42	\$ 2,392,522.42	\$ 2,392,521.42	

**Please Note: All market value data is provided courtesy of the City's fiscal agents
Bank of New York (BNY) Trust Company and US Bank.**

I certify that this investment portfolio is in compliance with the statement of investment policy of the City of Hesperia and the investment program provides sufficient liquidity to meet expenditure requirements for the next six months, as required by the California Government Code sections 53646(b)(2) and (3), respectively.


Virginia Villasenor, Senior Accountant

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City of Hesperia STAFF REPORT



DATE: September 18, 2018

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Michael Blay, Director of Development Services
Jamie Carone, Administrative Analyst

SUBJECT: Adopt Measure I Five Year Capital Project Needs Analysis for Fiscal Years 2019/20 through 2023/2024

RECOMMENDED ACTION

It is recommended that the Mayor and Council Members adopt Resolution No. 2018-058 approving the Measure I Five-Year Capital Project Needs Analysis submittal to the San Bernardino County Transportation Authority (SBCTA) for Fiscal Years 2019/2020 through 2023/2024.

BACKGROUND

In November of 1989, voters approved passage of Measure I to impose a one-half of one percent retail transactions and use sales tax applicable in the incorporated and unincorporated territory of San Bernardino County. In advance of Measure I expiring in 2010, voters approved Ordinance No. 04-01 in November 2004 renewing the Measure I half-cent sales tax for 30 years. The renewed Measure I is referred to as Measure I 2010-2040.

One minor difference between the original Measure I and the “2010-2040” Measure I is the establishment of a separate component to jointly fund regional projects among the five communities in the Victor Valley sub-area (Adelanto, Apple Valley, Hesperia, Victorville, and the County of San Bernardino). This fund is known as the “Major Local Highway Program” (MLHP) and constitutes 25% of the Measure I revenue. SBCTA estimates that \$269.1 million will be generated over the life of the Measure within our sub-area. This revenue was incorporated into SBCTA’s Strategic Plan, after multiple meetings with member agencies. In addition, to provide direction to SBCTA, each member agency’s legislative body approved an initial expenditure list. The Council approved the initial list of projects at its August 28, 2008 meeting to be considered for the MLHP funding.

ISSUES/ANALYSIS

Under MLHP, qualifying projects are defined as “major streets and highways serving as primary routes of travel within the subarea, which may include State highways and freeways, where appropriate.” Locally-maintained streets which serve more than one community (e.g., Ranchero Road through Hesperia and the County also serves Apple Valley residents) would qualify. While the intent of this program was to allow communities within our sub-area to pool resources and vote on projects collectively, it became clear during these meetings that the amount of revenue available would be outstripped by the Victor Valley’s financial needs (SBCTA’s estimate is \$1.2 billion for all regional facilities, including US-395 and I-15 widening). In addition, one community’s project needs, while providing a benefit to the sub-area, may not directly benefit another Victor Valley community. As a result the consensus was reached to

divide the MLHP revenue equally among the five agencies, resulting in up to \$53.82 million each (the amount of revenue will fluctuate based on the amount of retail sales occurring over the life of the plan). Projects prioritized by each agency can only be partially funded by the MLHP, and funding will be programmed based on the short-term (year 1-10) mid-term (year 11-20) and long term (year 21-30) availability and priority.

SBCTA is requesting confirmation of the City's priorities, which is now referred to as the Capital Project Needs Analysis (CPNA). Therefore, in accordance with SBCTA requirements, Staff is recommending that the City Council adopt Resolution 2018-058 approving the Measure I MLHP submittal and adopting the Five-Year CPNA for Fiscal Years 2019/2020 through 2023/2024.

FISCAL IMPACT

There is no fiscal impact.

ALTERNATIVE (S)

1. Provide alternative direction to staff.

ATTACHMENT (S)

1. Resolution No. 2018-058
2. Measure I CPNA submittals for Fiscal Year 2019/2020 through 2023/2024

RESOLUTION 2018-058

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA,
CALIFORNIA, ADOPTING THE MEASURE I FIVE-YEAR CAPITAL PROJECT
NEEDS ANALYSIS FOR FISCAL YEARS 2019/2020 TO 2023/2024**

WHEREAS, San Bernardino County voters approved passage of Measure I in November 2004, authorizing the San Bernardino County Transportation Authority to impose a one-half of one percent retail transactions and use tax applicable in the incorporated and unincorporated territory of the County of San Bernardino; and

WHEREAS, revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plans set forth in Ordinance No. 89-1 and Ordinance No. 04-1 of the Authority; and

WHEREAS, the Strategic Plan requires each local jurisdiction applying for revenue from certain Measure I Programs to annually adopt and update a Five-Year Capital Project Needs Analysis.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA, STATE OF CALIFORNIA AS FOLLOWS

- Section 1. The City Council hereby specifically finds that all of the facts set forth in this resolution are true and correct; and
- Section 2. The Measure I Five-Year Capital Project Needs Analysis "Exhibit A", attached to this resolution, is hereby adopted.
- Section 3. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 18th day of September, 2018.

William J. Holland, Mayor

ATTEST:

Melinda Sayre
City Clerk

Capital Project Needs Analysis

Agency: Hesperia

Program: Victor Valley Major Local Highway Program

Project Name: Widen Ranchero Road from Topaz Ave. to 7th Ave. from 2 to 5 lanes

Agency Project Name:

Agency reported Total Project Cost: \$25,113,000

Escalation Factor(%):

Actual Prior Year dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 41.10% | Dev. Share: 58.90%

		Funding	Prior	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Future	Total
Nexus Total Project Cost (All phases): 18,024	PA&ED	DEV FEE	427,383	0	0	0	0	0	0	427,383
		Other	625,407	0	0	0	0	0	0	625,407
		Total	1,052,790	0	0	0	0	0	0	1,052,790
Total Presented Funding: 25,113,000	PS&E	DEV FEE	206,760	0	0	0	0	0	0	206,760
		Other	623,104	0	0	0	0	0	0	623,104
		Total	829,864	0	0	0	0	0	0	829,864
Total Measure I Request: 9,492,270	ROW	DEV FEE	1,327,605	333,433	0	0	0	0	0	1,661,038
		MI MLHP	832,561	232,667	0	0	0	0	0	1,065,228
		Other	88	0	0	0	0	0	0	88
		Total	2,160,254	566,100	0	0	0	0	0	2,726,354
		CONST	DEV FEE	305,240	2,107,800	5,763,910	0	0	0	0
MI MLHP			212,826	4,192,200	4,022,016	0	0	0	0	8,427,042
LPP			0	3,900,000	0	0	0	0	0	3,900,000
Total			518,066	10,200,000	9,785,926	0	0	0	0	20,503,992
Total		4,560,974	10,766,100	9,785,926	0	0	0	0	25,113,000	

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 17/18 expenses.

Project Comments: Project Comments

Last Update: 9/11/2018 12:05:44 PM

Reference: Measure I Policy 40006

Capital Project Needs Analysis

Agency: Hesperia

Program: Victor Valley Major Local Highway Program

Project Name: Widen Main St from Escondido Ave To 11Th Ave from 4 to 6 lanes, including aqueduct bridge widening

Agency Project Name:

Agency reported Total Project Cost: \$23,551,037

Escalation Factor(%):

Actual Prior Year dollars and escalated costs in subsequent years (not in 1,000s)

Public Share: 41.10% | Dev. Share: 58.90%

		Funding	Prior	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	Future	Total
Nexus Total Project Cost (All phases): 27,875	PA&ED	DEV FEE	95,307	0	0	0	0	0	0	95,307
		Other	386,269	0	0	0	0	200,000	0	586,269
		MI LOCAL STREET	0	93,441	0	0	0	0	0	93,441
		Total	481,576	93,441	0	0	0	200,000	0	775,017
Total Presented Funding: 5,712,036	PS&E	DEV FEE	77,279	0	0	0	0	0	0	77,279
		Other	367,423	0	0	0	0	367,317	0	734,740
		MI LOCAL STREET	130,000	150,000	75,000	0	0	0	0	355,000
		Total	574,702	150,000	75,000	0	0	367,317	0	1,167,019
Total Measure I Request: 1,997,911	ROW	MI MLHP	0	0	0	205,500	439,770	0	801,064	1,446,334
		DEV FEE	0	0	0	294,500	630,230	0	1,147,996	2,072,726
		Total	0	0	0	500,000	1,070,000	0	1,949,060	3,519,060
	CONST	MI MLHP	0	0	0	0	0	904,200	6,530,766	7,434,966
		DEV FEE	0	0	0	0	0	1,295,800	9,359,175	10,654,975
		Total	0	0	0	0	0	2,200,000	15,889,941	18,089,941
Total		1,056,278	243,441	75,000	500,000	1,070,000	2,767,317	17,839,001	23,551,037	

*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including FY 17/18 expenses.

Project Comments: Project Comments

Last Update: 9/11/2018 12:05:14 PM

Reference: Measure I Policy 40006

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DATE: September 18, 2018

TO: Mayor and Council Members
Chair and Board Members, Hesperia Water District

FROM: Nils Bentsen, City Manager

BY: Melinda Sayre, City Clerk

SUBJECT: Consideration of the Biennial Update of the City's Statement of Economic Interests Designated Employee Filing Roster

RECOMMENDED ACTION

It is recommended that the City Council and Water District Board adopt the Fair Political Practices Commission required biennial update of the City's Statement of Economic Interest Employee Filing Roster (Conflict-of-Interest Code) for designated employees through adoption of Joint Resolution No. 2018-62 and HWD 2018-21.

BACKGROUND

The Political Reform Act of 1974 (Gov. Code sections 81000-91014) requires local public officials and employees to disclose certain personal financial holdings which may be materially affected by their official actions or job duties. In accordance with the Act, each local agency must adopt a conflict-of-interest code, which is the legal instrument requiring individuals holding designated positions to disclose their personal financial interests on a Statement of Economic Interests Form 700 when they assume or leave a designated position and on an annual basis.

Additionally, the Act requires each local agency to review its code biennially during even-numbered years to ensure the list of designated employees and the disclosure categories are reflective of the agency's current organization and ability to affect economic interests. At the conclusion of the 2018 biennial code review it was determined that substantial personnel classification changes occurred and an update was warranted.

ISSUES/ANALYSIS

The proposed Conflict-of-Interest Code includes each of the positions within the City and Water District that involve the making or participation in the making of decisions that may foreseeably have a material financial effect on any financial interest, and updates the disclosure categories to allow accurate disclosure of economic interests and sources of income and gifts, without violation of privacy rights.

The list of job classifications required to file a Statement of Economic Interest Form 700 has been updated to reflect the current personnel classification structure of the City. Classifications that have been eliminated are shown on Exhibit "A" with a strikethrough and new classifications being added are shown in bold. Exhibit "B" is an explanation of the Disclosure Categories reflected for each classification.

Positions added to the Designated Conflict of Interest filing Positions:

- Information Technology Manager
- Secretary to the City Manager and City Council
- Budget/Finance Specialist
- Senior Economic Development Specialist
- Assistant City Manager
- Building Official
- Director of Finance
- Water Quality Specialist
- City Engineer (Contract)

Positions Eliminated:

- Assistant City Manager/ Management Services
- Budget/ Finance Manager
- Development Services Director
- Information Systems Manager
- Water Conservation Specialist

FISCAL IMPACT

There is no fiscal impact associated with this item.

ALTERNATIVE(S)

Provide alternative direction to staff.

ATTACHMENT(S)

1. Joint Resolution Nos. 2018-62 and HWD 2018-21
2. Exhibit "A" Designated Employees with Disclosure Categories
3. Exhibit "B" Conflict of Interest Disclosure Categories

**JOINT RESOLUTION NO. 2018-62
RESOLUTION HWD NO. 2018-21**

**A JOINT RESOLUTION OF THE HESPERIA CITY COUNCIL, HESPERIA AND
HESPERIA WATER DISTRICT OF HESPERIA, CALIFORNIA, AMENDING
THE CONFLICT OF INTEREST CODE FOR DESIGNATED EMPLOYEES**

WHEREAS, the City Council / Board of Directors heretofore adopted a Conflict of Interest Code for designated employees; and

WHEREAS, it is necessary to revise said Conflict of Interest Code to accurately reflect changes in job titles and responsibilities; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL / BOARD OF DIRECTORS AS FOLLOWS:

- Section 1. In all respects, the facts set forth in this resolution are true and correct.
- Section 2. The Conflict of Interest Code pertaining to designated employees and their filing categories (Exhibit A) and the Disclosure Categories (Exhibit B) are hereby amended by the adoption of this Resolution.
- Section 4. That the City Clerk/Secretary to the Board shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 18th day of September, 2018

William J. Holland, Mayor/Chair

ATTEST:

Melinda Sayre,
City Clerk/ Secretary to the Board

EXHIBIT “A”

CONFLICT OF INTEREST CODE REFLECTING 2018 PROPOSED CHANGES

DESIGNATED EMPLOYEES

DISCLOSURE CATEGORIES

Accountant	5 & 6
Analysts	6
All Economic Development and Finance Analysts	5 & 6
Animal Services Manager	1 & 2
Assistant City Manager / Management Services	1 & 2
Assistant City Clerk	6
Assistant Engineer	2, 3, 7
Assistant to the City Manager	6
Budget/Finance Manager Specialist	5 & 6
Building Inspection Supervisor Manager	1 & 2
Building Official	1 & 2
Building & Safety Manager Supervisor	1 & 2
City Clerk	6
City Engineer (Contract)	2, 3, 6, 7
Code Enforcement Officer (all)	6 & 7
Code Compliance Supervisor	6 & 7
All Coordinators	6
Customer Service Supervisor	1
Deputy Finance Director	1 & 2
Development Services Director	1 & 2
Director of Finance	1 & 2
Economic Development Manager	1 & 2
Facilities Supervisor	6
GIS Manager	1
Human Resource Manager	6
Information Systems Technology Manager	6
Information Systems Specialist	6
Inspectors (All)	2,3,6,7
Planners (All)	2, 3, 6, 7
Plans Examiner	2, 3, 6, 7
Project Construction Manager	2, 3, 6, 7
Public Works Director Manager	1 & 2
All Public Works Supervisors	1 & 2
Secretary to the City Manager and City Council	6
Senior Economic Development Specialist	5 & 6
Senior Accountant	5
Senior Animal Control Officer	1
Senior Code Enforcement Officer	1
Senior Financial Analyst	5 & 6
Water Conservation Quality Specialist	6

NOTE: The City Council, Planning Commission, City Manager, Finance Officer, City Attorney and other designated personnel are required to submit disclosure statements pursuant to State law (California Government Code §87200 et seq.).

With respect to consultants, the City Manager shall determine if a particular consultant performs a range of duties requiring disclosure hereunder. This determination shall include a description of the consultant's duties and statement of the extent of disclosure requirements. A copy of this determination shall be filed with the City Clerk.



EXHIBIT “B”

DISCLOSURE CATEGORIES

Individuals holding designated positions must report their interests according to all of the disclosure categories listed below that identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property to which their position has been assigned.

Category 1: All investments and business positions in business entities, and sources of income, that are located in, do business in or own real property within the jurisdiction of the City.

Category 2: All investments in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the City.

Category 3: All investments and business positions in, and sources of income from, business entities that are engaged in land development, construction, or the acquisition or sales of real property within the jurisdiction of the City.

Category 4: All investments and business positions in, and sources of income from business entities that are banking, savings and loan, or other financial institutions.

Category 5: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the City.

Category 6: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the Designated Employee’s Department.

Category 7: All investments and business positions in, and sources of income from, business entities subject to the regulatory, permit, or licensing authority of the Designated Employee’s Department.

NOTE: The City Council, Planning Commission, City Manager, Finance Officer, City Attorney and other designated personnel are required to submit disclosure statements pursuant to State law (California Government Code §87200 et seq.).

With respect to consultants, the City Manager shall determine if a particular consultant performs a range of duties requiring disclosure hereunder. This determination shall include a description of the consultant’s duties and statement of the extent of disclosure requirements. A copy of this determination shall be filed with the City Clerk.

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City of Hesperia
STAFF REPORT



Green Sheet item received after posting of the agenda

DATE: September 18, 2018
TO: Mayor and Council Members
FROM: Nils Bentsen, City Manager
BY: Michael Blay, Assistant City Manager
Jeff Codega, Principal Planner
SUBJECT: San Bernardino LAFCO Application for Extension of Service By Contract -
Agreement with San Bernardino County Service Area 64 for Bear Valley and
Fish Hatchery Area Sewer Service Contract ID: 2018-FHLAFCO

RECOMMENDED ACTION

It is recommended that the City Council approve the agreement between City of Hesperia and San Bernardino County Service Area 64 (CSA 64) to provide for sewer service to be extended by CSA 64 south to serve property within the City of Hesperia south of Bear Valley Road near Fish Hatchery Road, and authorize the Mayor to execute said agreement. This agreement will then be forwarded to San Bernardino LAFCO as part of the request to allow CSA 64 to extend sewer service for the benefit of the 11.72-acre holding within the City of Hesperia.

BACKGROUND

At the August 21, 2018 Hesperia City Council Meeting the same agreement was approved but it was with San Bernardino County Special Districts. LAFCO has requested that the agreement instead be with County Service Area 64 (CSA 64).

ISSUES/ANALYSIS

This request merely changes the agreement between City of Hesperia and SBCSD to County Service Area 64. This proposal is the only realistic approach to sewerage this area at this time.

FISCAL IMPACT

Costs associated with this project, including the required fee/deposit to LAFCO related to this request will be by Rich Development. The City will incur the incidental staff time and costs associated with shepherding this request.

ALTERNATIVE:

Provide alternative direction to staff.

ATTACHMENTS

1. Proposed Agreement between the City of Hesperia Water District, a Subsidiary District of the City of Hesperia and San Bernardino County Service Area 64 for Bear Valley and Fish Hatchery Area Sewer Service.

AGREEMENT

Between

City of Hesperia Water District, a Subsidiary District of the City of Hesperia

And

San Bernardino County Special Districts

For

BEAR VALLEY AND FISH HATCHERY AREA SEWER SERVICE

THIS AGREEMENT is made and entered into this ___ day of _____, 2018, by and between the City of Hesperia, herein referred to as CITY, and San Bernardino County Service Area 64, herein referred to as CSA 64.

WITNESSETH

WHEREAS, portions of the **CITY** in the Northeast area near Bear Valley Road and Mojave Fish Hatchery Road are available for development, herein referred to as Development Area; and

WHEREAS, no **CITY** sewer service is available in the area – it is more than 6,500 feet away from existing **CITY** sewer facilities; and

WHEREAS, **CSA 64** operates a sewer system immediately north of Bear Valley Road and Mojave Fish Hatchery Road; and

WHEREAS, the **CITY** has completed, and **CSA 64** has reviewed and approved, a sewer system capacity study dated August 14, 2017 of **CSA 64's** system that will be impacted by sewer flow from the Development Area, enclosed as Exhibit A, that determined sufficient capacity exists in the system to provide sewer service to **CITY** for the Development Area.

NOW THEREFORE, in consideration of the above, and in consideration of the terms, covenants, and conditions herein set forth, the parties mutually agree as follows:

1. **CSA 64** will provide sewer service to the **CITY** for the Development Area.

2. Parties will collaborate on processing an Out-of-Agency Service Contract with LAFCO. The **CITY** will prepare all LAFCO applications and attachments thereto including mapping, letter requests, and related documents. **CSA 64** will also prepare letters as needed to complete the application.

3. The **CITY**, or its contractors, shall be responsible for the preparation of engineering plans, related documents, permit acquisition, and construction of all work. The work shall include, but not be limited to, installation of pipeline, connection to the **CSA 64** system and related facilities. All work shall be completed within one year from LAFCO approval. **CSA 64's** authorizes the **CITY** and/or its contractors to construct a connection to **CSA 64's** system at the location shown on Exhibit B. The connection will include a flow meter.

4. **CSA 64** will collect meter data and bill the **CITY** for sewer service.

5. This agreement shall become effective upon approval by both parties and shall remain in effect until such time that the City redirects flows to its system or until terminated by mutual agreement of both parties.

6. The **CITY** and its contractors shall indemnify, defend, hold harmless **CSA 64** and their authorized agents, officers, and employees against any and all claims or actions arising from the **CITY's** acts or omissions and for any cost or expenses incurred by **CSA 64** on account of any claim therefore.

7. **CSA 64** shall indemnify, defend, hold harmless **CITY** and their authorized agents, officers, and employees against any and all claims or actions arising from the **CSA 64's** acts or omissions and for any cost or expenses incurred by **CITY** on account of any claim therefore.

8. This Agreement constitutes the entire agreement of the parties. No verbal agreement or statement made by either party prior to execution hereof shall be effective unless set forth in the Agreement. Any amendments to this Agreement will be effective only if made in writing and signed by both parties hereto.

9. All notices required or permits to be given under this Agreement shall be deemed given by delivery or by mailing, postage prepaid to the recipient party to and at its current address; the present addresses of the parties are as follows:

City: City of Hesperia Water District
9700 Seventh Avenue
Hesperia, CA 92345
Attn: City Manager

SBCSD: CSA 64
c/o San Bernardino County Special District Department
Water and Sanitation Operations
12403 Industrial Blvd., Bldg. D, Suite 6
Victorville, CA 92392
Attn: General Manager

IN WITNESS WHEREOF, this Agreement is effective on the day and year first above written.

CITY OF HESPERIA WATER DISTRICT

**SAN BERNARDINO COUNTY
SERVICE AREA 64**

A Subsidiary of the City of Hesperia

Mayor

Chairman, Board of Supervisors, acting
in its capacity as the governing body of
San Bernardino County Service Area 64

Clerk of the Water District

Clerk of the Board Supervisors

City of Hesperia STAFF REPORT



DATE: September 18, 2018

TO: Mayor and City Council Members

FROM: Nils Bentsen, City Manager

BY: Rod Yahnke, Economic Development Manager

SUBJECT: Substantial Amendment to the Community Development Block Grant (CDBG) 2015-2019 Consolidated Plan and 2016-2017 Action Plan

RECOMMENDED ACTION

It is recommended that the City Council: 1) Conduct a public hearing and upon accepting public testimony adopt Resolution No. 2018-59 including any modifications or amendments thereto; 2) Approve a Substantial Amendment to the Community Development Block Grant ("CDBG") 2015-2019 Consolidated Plan ("Con Plan") which will eliminate Goal 8, "Affordable Housing" and the funding related to it; 3) Approve a Substantial Amendment to the 2016-2017 Annual Action Plan ("Action Plan") by eliminating the First Time Home Buyer Program (FTHBP) activity and reprogram Two Hundred Thousand dollars (\$200,000) to the 2018-19 CDBG Street Improvements Project; and 4) Authorize the City Manager and/or Economic Development Manager to execute and transmit all necessary documents, including the Substantial Amendment to the Con Plan and Action Plan, and any additional amendments, to assure the City's timely expenditure of CDBG funds.

BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) requires all entitlement communities receiving CDBG funds to prepare and submit a Con Plan every five years to establish a unified, strategic vision for economic development, housing and community development activities. The City Council adopted the Con Plan on April 7, 2015 and later Substantially Amended it on November 1, 2016 and added Goal 8, "Affordable Housing."

The Consolidated Plans are carried out through Annual Action Plans, which provide the activities and resources that will be used each year to accomplish the goals identified in the Con Plan. When the City Council amended the Con Plan in November 2016, the Annual Action Plans were also changed to include the new FTHBP.

Substantial Amendments to a Con Plan and/or Action Plan are required when a "substantial" change is proposed to funding levels, goals, or activities. In this case, the elimination of a Con Plan Goal and an Action Plan Activity, as well as reprogramming all the related funds.

ISSUES/ANALYSIS

Subsequent to the November 2016 Con Plan and Action Plan amendments, City Council changed priorities and directed staff to eliminate the FTHBP and reprogram funds that were allocated to that program into future streets projects.

The streets projects which are funded through CDBG will either substantially rehabilitate existing streets, or pave dirt roads. In either case, the streets must meet strict CDBG

qualifications under the Low-Mod Area Benefit national objective, which will increase the safety of vehicular traffic, and reduce maintenance costs. Therefore, the streets that can be reconstructed or paved are somewhat limited to Low-Mod Benefit areas of the City.

The Streets Projects will provide funding for professional services including, but are not limited to design, engineering and labor compliance, as well as construction costs.

FISCAL IMPACT

City Council approved the 2018-19 CDBG Street Improvements Project budget on June 19, 2018. This budget included Six-Hundred and Six-Thousand Five-Hundred and Forty-Six dollars (\$606,546) for the 2018-19 CDBG Street Improvements Project, CIP Project Number 7150. The above funding amendment will add an additional Two-Hundred Thousand dollars (\$200,000) to the project bringing the total 2018-19 CDBG Street Improvements Project budget to Eight-Hundred and Six-Thousand Five-Hundred and Forty-Six dollars (\$806,546). These funds will be added to the 2018-19 CDBG Street Improvements Project budget and will be memorialized when the first quarter budget amendment is presented to City Council.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Substantial Amendment to Consolidated Plan and Action Plan
2. Resolution No. 2018-59

ATTACHMENT 1

SUBSTANTIAL AMENDMENT TO THE 2015-2019 CONSOLIDATED PLAN & 2016-2017 ANNUAL ACTION PLAN

A. EXECUTIVE SUMMARY

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 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 Hesperia City Council adopted the 2015-2019 Five Year Consolidated Plan ("Consolidated Plan") on April 7, 2015 and later Substantially Amendment the Consolidated Plan on November 1, 2016.

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. The City must submit an Annual Action Plan to HUD by no later than May 15 of each year during the five-year period. The Hesperia City Council adopted and submitted the 2016-2017 Action Plan ("Action Plan") to HUD by the May 15 deadline of 2016.

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 Consolidated Plan and Action Plan is necessary because the City has identified one (1) Strategic Plan Goal that it would like to cancel from the Consolidated Plan as well as revise the proposed goals of multiple existing Strategic Plan Goals. In addition, the City has identified one (1) previously awarded activity that it wishes to cancel and reprogram all funds into the 2018-19 CDBG Street Improvements Project.

B. CITIZEN PARTICIPATION

A Notice of Public Hearing and 30-day public review period was published in the Hesperia Resorter on August 16, 2018, informing the public of the proposed Substantial Amendment and inviting comments at the public hearing. On September 18, 2018, the Hesperia City Council will be hearing public comments regarding the Substantial Amendment. The public review period will begin on August 17, 2018 and will end on September 18, 2018. Citizens are able to review copies of the Substantial Amendment at the City's Economic Development Department, the Hesperia Public Library and the City Clerk's Office.

C. CHANGES TO THE 2015-2019 CONSOLIDATED PLAN

The City is proposing to cancel one (1) Strategic Plan Goal in its Consolidated Plan, identified as "Affordable Housing". This Strategic Plan Goal originally allowed for the funding and implementation of the City's First-Time Homebuyer Program (FTHBP). In addition, the City is proposing to revise the proposed goals of various Strategic Plan Goals contained within its Consolidated Plan as a result of the proposed Substantial Amendment.

Table 1: Cancellation of Strategic Plan Goal to the Consolidated Plan

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Affordable Housing	2015	2019	Affordable Housing	Citywide	Promote Home Ownership Opportunities	CDBG	Direct Financial Assistance to Homebuyers

Table 2: Revised Proposed Goals of Strategic Plan Goals to the Consolidated Plan

Sort Order	2015-2019 Goal Name	Description / Proposed Activities (Goal)	Category	Priority Need(s) Addressed	Objective	Outcome	Five Year Goal Outcome Indicator
1	Economic Opportunity	Preserve and strengthen economic opportunity through business assistance.	Non-Housing Community Development	Strengthen economic opportunity through business assistance	Economic Opportunity	Availability/ Accessibility	5 _____ Businesses Assisted
2	Housing Preservation	Preserve the quality of existing owner-occupied dwellings through rehabilitation including lead-based paint education, inspection, testing and abatement.	Affordable Housing	Preserve the supply of decent housing	Decent Housing	Sustainability	65 _____ Homeowner Housing Units Rehabilitated
3	Fair Housing Services	Fulfill the HUD regulatory mandate to affirmatively further fair housing choice through the provision of fair housing education, counseling anti-discrimination and landlord-tenant mediation services.	Affordable Housing	Ensure equal access to housing opportunities	Decent Housing	Availability/ Accessibility	3,500 _____ People
4	Public Services for low-income families	Provide low- and moderate-income people with a range of public services necessary to prevent homelessness and ameliorate the effects of poverty.	Non-Housing Community Development	Provide public services to help low-income residents succeed	Suitable Living Environment	Availability/ Accessibility	2,200 _____ People
5	Senior Services	Provide seniors with quality supportive services so elderly residents can live as independently as possible.	Non-Housing Community Development	Provide public services to help low-income residents succeed	Suitable Living Environment	Availability/ Accessibility	200 _____ People
6	Homeless Prevention and Special Needs Services	Support a continuum of services in the High Desert area to prevent and eliminate homelessness including but not limited to homeless prevention programs, emergency shelter and transitional housing	Homeless	Prevent and eliminate homelessness and provide services to people with special needs	Suitable Living Environment	Availability/ Accessibility	500 _____ People
7	Neighborhood Preservation and Infrastructure Improvements	Preserve and enhance neighborhood aesthetics and improve 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.	Non-Housing Community Development	Provide neighborhood services and infrastructure improvements to create a suitable living environment	Suitable Living Environment	Availability/ Accessibility	50,000 _____ People

D. CHANGES TO THE 2016-2017 ANNUAL ACTION PLAN

The City is proposing to cancel the 2016-2017 First-Time Homebuyer Program (FTHBP) activity in the amount of \$200,000 to be reprogrammed into the City's 2018-19 CDBG Street Improvements Project

which proposes to make necessary street improvements to streets located in eligible CDBG Census Tracts/Block Groups throughout the City's limits.

The following Table outlines the activity budgets that are being modified to reprogram funds to the proposed activity described in this Substantial Amendment:

Table 3: Proposed Activity Budget Modifications and Reprogrammed Activity Budgets

Program Year/ Activity Title	Existing Budget	New Budget
<i>Cancellation</i>		
2016/17 Program Year Activity		
2016/17 First-Time Homebuyer Program (FTHBP)	\$200,000	\$0
Subtotal	\$200,000	\$0
<i>Reprogramming</i>		
2018/19 Program Year Activity		
2018-19 CDBG Street Improvements Project	\$606,546	\$806,546
TOTAL	\$806,546	\$806,546

E. 2018-2019 PROPOSED ACTIVITY DETAIL

The following narrative provides activity descriptions, national objectives, and other required information for the proposed activities.

2018-19 CDBG Street Improvements Project

This project is a continuation of the City's annual program to rehabilitate existing City streets or to construct new pavement on existing dirt roads qualified under the CDBG Low-Mod Area Benefit national objective. The project will provide funding for professional services which include but are not limited to design, engineering and labor compliance services as well as construction costs for the reconstruction of existing deteriorating streets and/or for various dirt road paving of streets, all of which will be located in predominantly residential CDBG eligible Census Tract/Block Groups within the City's limits. The improvements will increase the safety of vehicular traffic and reduce maintenance costs.

F. PUBLIC COMMENTS

All public comments received during the 30-day public review period or at the public hearing will be incorporated into the overall Substantial Amendment submitted to HUD.

RESOLUTION NO. 2018-59

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, APPROVING SUBSTANTIAL AMENDMENT TO THE 2015-2019 CONSOLIDATED PLAN AND 2016-2017 ANNUAL ACTION PLAN AND AUTHORIZING THE CITY MANAGER AND/OR ECONOMIC DEVELOPMENT MANAGER TO EXECUTE AND TRANSMIT ALL NECESSARY DOCUMENTS TO HUD UPON COMPLETION OF THE PUBLIC REVIEW PERIOD

WHEREAS, the United States Department of Housing and Urban Development (“HUD”) requires the City to adopt and implement a Five-Year Consolidated Plan for the expenditure of the City’s annual allocation of Community Development Block Grant (“CDBG”) funds in support of projects and activities predominantly benefitting low- and moderate-income residents; and

WHEREAS, City Council adopted the current 2015-2019 Five-Year Consolidated Plan (“Consolidated Plan”) on April 7, 2015; and

WHEREAS, City Council substantially amended the current Consolidated Plan on November 1, 2016; and

WHEREAS, the Consolidated Plan contains certain goals and accomplishments to be met during the five-year consolidated planning period through the expenditure of CDBG funds and other identified funding sources; and

WHEREAS, the Consolidated Plan is carried out through Annual Action Plans which provide the actions, activities, and resources that will be used each year to accomplish the goals identified in the Consolidated Plan; and

WHEREAS, City Council adopted the 2016-2017 Annual Action Plan (“Annual Action Plan”) on April 19, 2016; and

WHEREAS, a Substantial Amendment to a Consolidated Plan and Annual Action Plan is required when a “substantial” change is proposed as it relates to funding priorities, proposed activities, goals and objectives; and

WHEREAS, City Council desires to eliminate Goal 8, “Affordable Housing” from the Consolidated Plan and reprogram related funding, thereby triggering a Substantial Amendment; and

WHEREAS, City Council desires to eliminate the First-Time Homebuyer Program from the 2016-2017 Annual Action Plan and reprogram all funds into the 2018-19 CDBG Street Improvements Project; and

WHEREAS, the City is in compliance with its Citizen Participation Plan which requires the City to conduct a public hearing and a 30-day public review period to receive public input when a Substantial Amendment to a Consolidated Plan and/or Annual Action Plan is proposed.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA
AS FOLLOWS:**

- Section 1. The recitals above are true and correct and are adopted as findings.
- Section 2. The City Council approves the Substantial Amendment to the Consolidated Plan and Annual Action Plan.
- Section 3. The City Manager and/or Economic Development Manager are hereby authorized to execute all necessary documents and any certifications to execute the Substantial Amendment to the Consolidated Plan and Annual Action Plan.
- Section 4. The City Council further authorizes the City Manager and/or Economic Development Manager to approve any modifications and/or amendments to the Substantial Amendment to the Consolidated Plan and Annual Action Plan if required to ensure approval by HUD.
- Section 5. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 18th day of September 2018.

William J. Holland, Mayor

ATTEST:

Melinda Sayre, City Clerk

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City of Hesperia STAFF REPORT



DATE: September 18, 2018
TO: Mayor and City Council Members
FROM: Nils Bentsen, City Manager
BY: Rod Yahnke, Economic Development Manager
SUBJECT: PY 2017-2018 Community Development Block Grant (CDBG), Consolidated Annual Performance and Evaluation Report (CAPER)

RECOMMENDED ACTION

It is recommended that the City Council conduct a public hearing and upon accepting public testimony: 1) Approve the Program Year 2017-2018 Consolidated Annual Performance Evaluation Report ("CAPER"); and 2) Authorize the City Manager or his designee to submit the Program Year 2017-2018 CAPER to the U.S. Department of Housing and Urban Development ("HUD"), along with any public testimony and changes thereto as directed by the City Council.

BACKGROUND

The U.S. Department of Housing and Urban Development requires the City to prepare and submit a CAPER to describe the City's progress in meeting the goals established in the Program Year 2017-2018 Action Plan that was approved by the City Council on April 4, 2017. The CAPER must be submitted to HUD on or before September 28, 2018, to comply with HUD regulations found at 24 Code of Federal Regulations 91.520. The Program Year 2017-2018 CAPER was prepared and made available for the HUD-required 15-day public review and comment period, which began on August 31, 2018 and concluded on September 18, 2018.

For the recently completed program year that began on July 1, 2017, and concluded on June 30, 2018, the City received \$953,256 of Community Development Block Grant (CDBG) funds that were allocated in the Action Plan to activities designed to meet the City's Five-Year Consolidated Plan – Strategic Plan goals. This was the third year of the five-year 2015-2019 Consolidated Plan cycle for the City's CDBG program.

ISSUES/ANALYSIS

Prior to the commencement of the 15-day public review period that began on August 31, 2018, the City published a notice in the Hesperia Resorter and Daily Press (English and Spanish) informing the public that the City had prepared the Draft 2017-2018 CAPER and its availability for review and comment until September 18, 2018. The public was informed of the opportunity to provide oral and/or written comments on the CAPER. To date, no public comments have been received. Additionally, the Citizen Participation Plan requires that a public hearing be held to receive comments from interested residents or parties regarding the CAPER. This public hearing fulfills the requirements for the public hearing.

The accomplishments for this year include, but are not limited to:

- Funding of fair housing and landlord tenant mediation services provided by Inland Fair Housing and Mediation Board (IFHMB) who were able to assist 618 unduplicated Hesperia residents (46 Fair Housing and 572 Landlord Tenant Mediation);
- Rehabilitation of one (1) property through the Energy Efficiency and Minor Home Repair Program (EEMR);
- Rehabilitation of two (2) properties through the Housing Rehabilitation Loan Program (HRLP);
- Completion of the City's 2017-2018 Street Improvement Project which assisted 5,310 unduplicated Hesperia residents; and
- The City was able to fund a total of 11 public service agencies (food banks, senior/disabled adult services, shelter and shelter services, veteran services, etc.) through its Community Assistance Program (CAP) whom cumulatively were able to assist 9,084 Hesperia residents.

A more detailed explanation of accomplishments can be found in the attached Draft Program Year 2017-2018 CAPER.

FISCAL IMPACT

Presently, there is no fiscal impact. The City is required to submit the 2017-2018 CAPER to HUD to report on the annual accomplishments and expenditures during the program year. Although the submittal of the CAPER has never resulted in a fiscal impact to the City, failure to submit the CAPER to HUD in a timely manner could possibly result in non-compliance with CDBG regulations, which has the potential to lead to future financial sanctions. Furthermore, HUD could find that activities contained in the CAPER and funded with CDBG funds were not compliant, which also has the potential to cause the repayment of funds.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Exhibit A: PY 2017-2018 Draft CAPER



City of Hesperia

CONSOLIDATED ANNUAL
PERFORMANCE AND
EVALUATION REPORT (CAPER)

Program Year 2017-2018

DRAFT – September 18, 2018

Prepared by:



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Table of Contents

CR-05 - Goals and Outcomes	1
CR-10 Racial and Ethnic Composition of (person/households/families) Assisted	7
CR-15 Resources and Investments.....	8
CR-20 Affordable Housing.....	11
CR-25 Homeless and Other Special Needs	13
CR-30 Public Housing	17
CR-35 Other Actions.....	20
CR-40 Monitoring.....	24
CR-45 CDBG.....	26

Appendices

Appendix A – Public Notices	A
Appendix B – Summary of Citizen Participation Comments.....	B
Appendix C – IDIS Reports	C

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CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.
91.520(a)

This 2017-2018 Consolidated Annual Performance and Evaluation Report (CAPER) is the City of Hesperia's report to the U.S. Department of Housing and Urban Development (HUD) describing the use of federal Community Development Block Grant (CDBG) funds during the third program year of the 2015-2019 Consolidated Plan period, covering July 1, 2017 to June 30, 2018.

The City receives CDBG funds from HUD on a formula basis each year, and in turn, implements projects and also awards grants and loans to nonprofit, for-profit or public organizations for projects in furtherance of the adopted Consolidated Plan. The CDBG program generally provides for a wide range of eligible activities for the benefit of low- and moderate-income Hesperia residents.

For the 2017-2018 program year, the City received \$953,256 of CDBG funds. This investment of CDBG funds was a catalyst for positive change in the community. Together with other federal, state and local investments, HUD resources allowed the City and its partners to:

- Provide fair housing and landlord tenant mediation services to 618 residents
- Provide one (1) Energy Efficiency and Minor Home Repair (EEMR) grants
- Provide two (2) Housing Rehabilitation Loan Program (HRLP) grants/loans
- Complete the reconstruction of streets encompassed in the City's 2016-2017 Street Improvement Project that benefited approximately 7,655 residents
- Commence the reconstruction of streets encompassed in the City's 2017-2018 Street Improvement Project that will benefit approximately 5,310 residents (project anticipated to be completed during the first quarter of the 2018-2019 program year)

Table 1 provides a summary of the five-year and third-year accomplishments for the period ending June 30, 2018, arranged by each of the Strategic Plan Goals included in the 2015-2019 Strategic Plan of the Consolidated Plan.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Goal	Category	2017-2018 Amount	Indicator	Unit of Measure	Expected – 5-Yr. Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected Program Year	Actual Program Year	Percent Complete
Economic Opportunity	Non-Housing Community Development	CDBG: \$84,490	Facade treatment/business building rehabilitation	Businesses Assisted	5	0	0.00%	2	0	0.00%
Fair Housing Services	Affordable Housing	CDBG: \$15,000.00	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	3,500	2,067	59.0%	212	618	291.5%

Goal	Category	2017-2018 Amount	Indicator	Unit of Measure	Expected – 5 Yr. Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected Program Year	Actual Program Year	Percent Complete
Neighborhood and Infrastructure Improvement	Non-Housing Community Development	CDBG: \$678,115	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	90,000	39,005	43.33%	1,000	0	0.00%
CDBG Administration	All	CDBG: \$175,651	Fund the needs of the administration to run the CDBG Program	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

During the program year, the City and its housing and community development partners made progress on several 2017-2018 activities as well as some multi-year activities that continued during the program year. All CDBG funded activities addressed specific high priority objectives identified in the 2015-2019 Consolidated Plan.

Through City leveraged dollars under the Community Assistance Program (CAP), the City was able to fund a total of 11 public service agencies who provided services including but not limited to food banks, senior/disabled adult services, shelter and shelter services and veteran services. Together these agencies were able to provide assistance to a total of 9,084 City residents. The City's fair housing and landlord tenant mediation service provider, Inland Fair Housing and Mediation Board (IFHMB), was able to provide services to a total of 618 unduplicated City residents (46 Fair Housing and 573 Landlord Tenant Mediation). Although not allocated funds during the 2017-2018 program year, the City was able to complete one (1) Energy Efficiency and Minor Home Repair (EEMR) and two (2) Housing Rehabilitation Loan Program (HRLP) rehabilitations with prior unspent CDBG funds. The City's procurement efforts proved to be a success with the completion of the 2016-2017 Street Improvement Project which provided a benefit to 7,655 residents. Lastly, the City was able to commence and complete a majority of the construction on the 2017-2018 Street Improvement Project with the project anticipated to be completed during the first quarter of the 2018-2019 program year. The completion of project will provide assistance to a total of 5,310 unduplicated residents.

The majority of CDBG funds were allocated to public facilities and infrastructure improvement activities to benefit low- and moderate-income neighborhoods and provide disabled access. Key accomplishments included the completion of the 2016-2017 Street Improvement Project as well as the commencement of the 2017-2018 Street Improvement Project which will address barriers to accessibility to a number of residents throughout the City.

Each of the activities that were underway during the 2017-2018 program year are listed in Figure 1, including the amount of CDBG funds allocated to the activity and the amount spent as of June 30, 2019. Figure 2 provides the numeric accomplishment goal and the amount accomplished as of June 30, 2018.

Figure 1 – Use of CDBG Funds

Strategic Plan Goal / Activity	Source	Allocation	Spent through 6/30/17	Percent Spent
1. Economic Opportunity				
2017 Downtown Revitalization Comm. Façade Imp. Program	CDBG	\$84,490.00	\$0.00	0.00%
Subtotal		\$84,490.00	\$0.00	0.00%
2. Housing Preservation				
2016 Energy Efficiency/Minor Home Repair (EEMR)	CDBG	\$225,000.00	\$198,602.50	88.27%
2016 Housing Rehabilitation Loan Program (HRLP)	CDBG	\$213,802.67	\$95,250.58	44.55%
Subtotal		\$438,802.67	\$293,853.08	66.97%
3. Fair Housing Services (Admin CAP)				
2017 Inland Fair Housing and Mediation Board (IFHMB)	CDBG	\$15,000.00	\$15,000.00	100.00%
Subtotal		\$15,000.00	\$15,000.00	100.00%
4. Public Services for Low-Income Families (CAP Program)				
2017 Call for Life	Leveraged Funds	\$12,500.00	\$12,429.65	99.44%
2017 Happy Healthy Kids	Leveraged Funds	\$7,500.00	\$7,500.00	100.00%
2017 Holy Family Catholic Church	Leveraged Funds	\$26,500.00	\$26,499.55	100.00%
2017 Legal Aid Society of San Bernardino	Leveraged Funds	\$1,000.00	\$914.05	91.41%
2017 New Life Chapel	Leveraged Funds	\$20,000.00	\$20,000.00	100.00%
2017 HDCF - Orenda Veterans Foundation	Leveraged Funds	\$7,500.00	\$7,500.00	100.00%
2017 Spirit Filled Family Church	Leveraged Funds	\$5,500.00	\$4,247.57	77.23%
2017 Today's Women Foundation	Leveraged Funds	\$9,000.00	\$9,000.00	100.00%
Subtotal		\$89,500.00	\$88,090.82	98.43%
5. Senior Services (CAP Program)				
2017 Victor Valley Community Services Council	Leveraged Funds	\$10,000.00	\$10,000.00	100.00%
Subtotal		\$10,000.00	\$10,000.00	100.00%
6. Homeless Prevention (CAP Program)				
2017 Family Assistance Program	Leveraged Funds	\$5,500.00	\$5,500.00	100.00%
2017 High Desert Homeless Services	Leveraged Funds	\$20,000.00	\$20,000.00	100.00%
Subtotal		\$25,500.00	\$25,500.00	100.00%
7. Neighborhood Preservation and Infrastructure Improvements				
2016 Street Improvement Project	CDBG	\$1,575,432.00	\$1,495,718.97	94.94%
2017 Street Improvement Project*	CDBG	\$1,687,523.96	\$1,295,267.28	76.76%
Subtotal		\$3,262,955.96	\$2,790,986.25	85.54%
8. Affordable Housing				
2016 First Time Homebuyer Program (FTHB)**	CDBG	\$200,000.00	\$0.00	0.00%
Subtotal		\$200,000.00	\$0.00	0.00%
9. CDBG Administration (Admin CAP)				
2017 CDBG Program Administration	CDBG	\$175,651.00	\$96,423.92	54.90%
Subtotal		\$175,651.00	\$96,423.92	54.90%
Total for all Goals:		\$4,301,899.63	\$3,319,854.07	77.17%
* Budget increased through Amendments and Substantial Amendments, 17/18 allocation of \$678,115				
** Activity anticipated to be canceled through Substantial Amendment on September 18, 2018				

Figure 2 – Program Year Accomplishments by Strategic Plan Goal

Strategic Plan Goal / Activity	Unit of Measure	Expected	Actual	% Complete
1. Economic Opportunity				
2017 Downtown Revitalization Comm. Façade Imp. Program	Businesses	2	0	0.00%
Subtotal		2	0	0.00%
2. Housing Preservation				
2016 Energy Efficiency/Minor Home Repair (EEMR)**	Households	22	27	122.73%
2015 Housing Rehabilitation Loan Program (HRLP)**	Households	3	5	166.67%
2016 Housing Rehabilitation Loan Program (HRLP)**	Households	7	2	28.57%
Subtotal		32	34	106.25%
3. Fair Housing Services (Admin CAP)				
2017 Inland Fair Housing and Mediation Board (IFHMB)	People	212	618	291.51%
Subtotal		212	618	291.51%
4. Public Services for Low-Income Families (CAP Program)				
2017 Call for Life	People	315	257	81.59%
2017 Happy Healthy Kids	People	6500	6641	102.17%
2017 Holy Family Catholic Church	People	600	991	165.17%
2017 Legal Aid Society of San Bernardino	People	22	20	90.91%
2017 New Life Chapel	People	150	387	258.00%
2017 HDCF - Orenda Veterans Foundation	People	8	21	262.50%
2017 Spirit Filled Family Church	People	150	273	182.00%
2017 Today's Women Foundation	People	300	231	77.00%
Subtotal		8045	8821	109.65%
5. Senior Services (CAP Program)				
2017 Victor Valley Community Services Council	People	60	68	113.33%
Subtotal		60	68	113.33%
6. Homeless Prevention (CAP Program)				
2017 Family Assistance Program	People	75	150	200.00%
2017 High Desert Homeless Services	People	70	45	64.29%
Subtotal		145	195	134.48%
7. Neighborhood Preservation and Infrastructure Improvements				
2016 Street Improvement Project	People	7655	7655	100.00%
2017 Street Improvement Project*	People	1000	0	0.00%
Subtotal		8655	7655	88.45%
8. Affordable Housing				
2016 First Time Homebuyer Program (FTHB)	Households	5	0	0.00%
Subtotal		5	0	0.00%
9. CDBG Administration (Admin CAP)				
2017 CDBG Program Administration	N/A	N/A	N/A	N/A
* 90% of construction completed during 17/18 PY, completion date will be in first quarter of 18/19 PY				
** One (1) housing rehabilitation completed during the 17/18 PY				

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Race/Ethnicity	CDBG
White	456
Black or African American	121
Asian	4
American Indian or American Native	4
Native Hawaiian or Other Pacific Islander	0
Other	36
Total	
Hispanic	280
Not Hispanic	341

Table does account for 7,655 residents for 16/17 Street Imp. Project, data not available

Narrative

Table 2 provides an aggregate of race and ethnicity data for persons and households served during the program year based on accomplishment data from all CDBG activities reported in HUD's Integrated Disbursement and Information System (IDIS). For more detailed demographic information by project or activity, refer to reports PR-03 in Appendix C.

Based on the information in Table 2, a diverse array of persons and households benefitted from CDBG funded housing, public facilities or public service projects during the program year.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Table 3 – Resources Made Available

Source of Funds	Resources Made Available	Amount Expended During Program Year
CDBG	\$1,775,421.61	\$1,525,909.44

Narrative

The federal, state, local and private resources available for the implementation of projects during the 2017-2018 program year are identified in Table 3. The CDBG resources include \$953,256 of CDBG formula grant funds to be allocated to projects in the 2017-2018 Action Plan.

Identify the geographic distribution and location of investments

Table 4 – Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
CDBG Low- and Moderate-Income CT/BG	71.1%	29.2%	17/18 Street Improvement Project At the end of June 30, 2018, a total of \$278,120.35 of 17/18 PY funds were drawn
Citywide	28.9%	11.7%	CDBG Admin and Fair Housing Services At the end of June 30, 2018, a total of \$111,423.92 of 17/18 PY funds were drawn

Narrative

For the 2017-2018 program year, the City allocated \$678,115 of CDBG funds to Public Facilities and Infrastructure activities designed to benefit the Low-and Moderate-Income Areas, representing 71.1 percent of the City's total CDBG investment for the 2017-2018 program year. At the end of June 30, 2018, the City was able to draw a total of \$278,120.35 of 2017-2018 program year funds.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

To address housing and community development needs in Hesperia, the City leverages its CDBG entitlement grant with a variety of funding resources in order to maximize the effectiveness of available funds such as appropriate state, local and private resources. The City and its subrecipients were able to leverage approximately \$429,649 of additional funds to address identified needs in the plan. Other examples of funds that were leveraged but difficult to account include but are not limited to those listed below:

Federal Resources

- Continuum of Care (CoC) Program
- HUD Veterans Affairs supportive Housing (HUD-VASH)
- Supportive Housing for the Elderly (Section 202)
- Supportive Housing for Persons with Disabilities (Section 811)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Youthbuild
- Federal Low-Income Housing Tax Credit Program
- Department of Transportation Grants
- Department of Energy Grants
- Federal Highway Administration

State Resources

- State Low-Income Housing Tax Credit Program
- Building Equity and Growth in Neighborhoods Program (BEGIN)
- CalHome Program
- Multifamily Housing Program (MHP)
- Housing Related Parks Grant
- CalHFA Single and Multi-Family Program
- Mental Health Service Act (MHSA) Funding
- Prop 47 – Board of State & Community Corrections
- Justice Assistance Grant (JAG) Program

Local Resources

- San Bernardino County Homeless Partnership (SBCHP)
- Housing Authority of the County of San Bernardino (HACSB)
- Southern California Home Financing Authority (SCHFA) Funding
- San Bernardino County Continuum of Care Program
- General Fund

Private Resources

- Federal Home Loan Bank Affordable Housing Program (AHP)
- Community Reinvestment Act Programs
- United Way Funding
- Private Contributions

Matching Requirements

The CDBG regulations do not require a match contribution; however, the City encourages its awarded departments and agencies to leverage the CDBG funding to further aid in the assistance provided to its residents. As an example, the City leverages general fund dollars through its Community Assistance Program (CAP) to award public service agencies in the administration of programs including but not limited to shelter services, food banks, senior services and legal aid services. The City of Hesperia does not receive HOME or ESG funds as part of its allocation. The amount of matching funds is therefore not applicable for the 2017-2018 CAPER.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

Table 5- Number of Households

	One-Year Goal	Actual
Number of homeless households to be provided affordable housing units	0	0
Number of non-homeless households to be provided affordable housing units	0	0
Number of special-needs households to be provided affordable housing units	0	0
Total	0	0

Table 6 - Number of Households Supported

	One-Year Goal	Actual
Number of households supported through rental assistance	0	0
Number of households supported through the production of new units	0	0
Number of households supported through the rehab of existing units	0	3
Number of households supported through the acquisition of existing units	0	0
Total	0	3

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City made a conscious effort to stream line the CDBG program during the 2017-2018 program year. At the point of adoption of the 2017-2018 Action Plan on April 19, 2016, the City anticipated working on only four (4) activities. Throughout the program year, the City did not come across many obstacles in meeting its goals. The City was able to commence and complete approximately 90% of its 2017-2018 Street Improvement Project, with an overall anticipated completion date to take place during the first quarter of the 2018-2019 program year. In addition, the City worked diligent to prepare and complete its Slum/Blight analysis for its Downtown Revitalization Commercial Façade Improvement Program. With the completion of this analysis, the City is optimistic that impletion of the program will commence during the 2018-2019 program year.

Discuss how these outcomes will impact future annual action plans.

Due to the City's need to improve infrastructure due to the increase in rain distribution during the 2017-2018 program year, the City anticipates investing CDBG funds to address improving infrastructure through its 2018-2019 Street Improvement Project. In an effort to meet its five-year goal for Economic Opportunities, the City has decided to award funds to its newly envisioned Downtown Revitalization Commercial Façade Improvement Program which will provide eligible business owners with grants/loans for façade and ADA type improvements. This program will increase job opportunities as well as business retention. The City has taken into consideration the needs for housing preservation in its community and has expressed its interest in the continuation of funding for its EEMR and HRLP programs in future years.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Table 7 – Number of Persons Served

Number of Persons Served	CDBG Actual
Extremely Low-income	0
Low-income	2
Moderate-income	1
Total	3

Narrative Information

The 2015-2019 Consolidated Plan - Strategic Plan identified high priority affordable housing needs including preserving the supply of affordable housing units for low-mod income residents. During the 2017-2018 program year, the City was able to rehabilitate a total of three (3) properties with prior year CDBG funds under its Energy Efficiency & Minor Home Repair Program and Housing Rehabilitation Loan Program of which two (2) fell below 50% of the area median income (AMI) level. To address what HUD defines as “worst case housing need” – low-income residents who pay more than 50 percent of their income for housing costs – the City utilizes Neighborhood Revitalization Program (NSP) funds from HUD to provide affordable housing assistance to eligible residents. In addition, City works collectively with the Housing Authority of the County of San Bernardino (HACSB) by providing residents with educational pamphlets and workshops on the County's affordable housing programs. During the next Consolidated Plan cycle, the City will look at potential programming funds into its own homeownership program. However, with the rise in sales prices, the City has found it difficult to provide sufficient funding to eligible households to help “cover the gap” in financing to allow for a more economical first mortgage payment. Lastly, the City is proud to announce the completion of its affordable housing senior complex (funded with non-HUD dollars), The Villas 55+, during the 2017-2018 program year. This development will go to foster and maintain affordable housing for its ever-growing older population.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Preventing and ending homelessness is a HUD priority addressed nationally through coordination of regional strategies carried out locally by government agencies and a wide variety of community-based organizations and faith-based groups. Consistent with this approach, the City of Hesperia supports the efforts of San Bernardino County Continuum of Care (CoC) and its member organizations that address homelessness throughout San Bernardino County and HUD's collaboration with other federal, state and local agencies implementation of the "Opening Doors: Federal Strategic Plan to Prevent and End Homelessness". In alignment with these strategies, the City has allocated general fund dollars to support local service providers, Family Assistance Program and High Desert Homeless Services, Inc. as well as multiple Food Bank/Pantry service providers with programs to prevent homelessness and to preserve the supply of affordable housing in Hesperia for low- and moderate-income residents.

By order of the Board of Supervisors in September 2007, the San Bernardino County Homeless Partnership (SBCHP) was formed to provide a more focused approach to issues of homelessness within the County. SBCHP was developed to promote a strong collaboration between agencies to direct the planning, development, and implementation of the County's 10-year Strategy to end chronic homelessness. According to the Ten-Year Plan to End Homelessness in San Bernardino County adopted in June 2009 (Ten-Year Plan) and the three-year evaluation of the 2009-2019 10-Year Strategy adopted April 2013, the CoC is implementing several regional strategies that will enhance local coordination to more effectively assist people in need with an emphasis on "Housing First" and "Opening Doors". To more rapidly identify and assess people experiencing homelessness, the CoC has created a regional homeless access center, the Coordinated Entry System (CES) that offers fully coordinated systems of outreach and will facilitate universal assessment, intake, referral and transportation to resources. The CoC has also developed resources of information (such as 2-1-1) to better serve individuals who are homeless or at risk of becoming homeless. In addition, the CoC is working to implement a database using real time information from intake and assessment that is housed in the Homeless Management Information System (HMIS). Collectively these strategies will help minimize duplication of effort and better connect the most vulnerable individuals and families, chronically homeless, and people at risk of becoming homeless to appropriate resources.

Since the adoption of the Ten-Year Plan in 2009, the CoC has taken initial steps toward fully coordinated systems of outreach and assessment. The CoC completed the inventory of existing access centers in San Bernardino County noting the locations of each access center. The CoC also conducts informational outreach presentations concerning homelessness in San Bernardino County throughout the community. In August 2009 the 10-Year Strategy to End Homelessness established the Interagency Council on Homelessness (ICH) as a policy making body for the Homeless Provider Network (HPN). ICH, HPN and the Office of Homeless Services work together to ensure that the recommendations listed in the County's 10-Year Strategy to End Homelessness are realized.

Released in 2010 and later amended in 2015, "Opening Doors: Federal Strategic Plan to Prevent and End Homelessness" is a comprehensive agenda to prevent and end homelessness, with four core goals as its focal point: 1) finish the job of ending chronic homelessness by 2017; 2) prevent and end homelessness among veterans by 2015; 3) prevent and end homelessness for families, youth, and children by 2020; and 4) set a path to ending all types of homelessness.

As a testament of all the efforts completed by the County and HUD, the number of individuals experiencing chronic homelessness declined by 27 percent; veteran homelessness decreased by 47 percent; family homelessness decreased by 23 percent and an overall decrease in homelessness of 14 percent and unsheltered homelessness of 25 percent between 2010 and 2016, according to HUD's 2016 Annual Homelessness Assessment Report (AHAR) to Congress.

Addressing the emergency shelter and transitional housing needs of homeless persons

The ultimate solution to ending homelessness is transitional to permanent housing closely aligned with supportive services that ensure housing stability can be maintained. However, because the demand for affordable housing far outpaces the region's supply, the CoC continues to rely on its emergency and transitional housing system in order to address the immediate needs of San Bernardino County's homeless population.

Under the Ten-Year Plan, the CoC is improving the efficacy of emergency shelters and the access system including their seasonal emergency shelters and the County's three (3) Cold Weather Shelter facilities, the closest being located in the City of Victorville. In 2013, the CoC and County identified \$4.5 million in local funds to support the development of year-round emergency shelters and multi-service centers in San Bernardino County.

For transitional housing, the Ten-Year Plan recognizes a need to maintain a level of transitional housing for the target populations that benefit most from a staged approach to housing, such as mentally ill and chronically homeless individuals. While the CoC continues to support transitional housing in special circumstances, the CoC is currently examining ways to shorten

stays in emergency shelters and transitional housing so that resources may be more directed towards programs providing assistance with the emphasis of the “Housing First” model and low barrier approach for chronically homeless individuals and families and rapid rehousing and low barrier approach for non-chronic homeless individuals and families to help obtain and maintain permanent affordable housing. The County further stresses the importance of increasing the number of permanent supportive housing units in order to meet the needs of those homeless persons with disabling conditions.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

An individual or family is considered to be at-risk of becoming homeless if it experiences extreme difficulty maintaining their housing and has no reasonable alternatives for obtaining subsequent housing. Homelessness often results from a complex set of circumstances that require people to choose between food, shelter and other basic needs. Examples of common circumstances that can cause homelessness include eviction, loss of income, insufficient income, disability, increase in the cost of housing, discharge from an institution, irreparable damage or deterioration to housing, and fleeing from family violence.

The most effective and cost-efficient means to address homelessness is to prevent episodes of homelessness from occurring in the first place. San Bernardino County’s current CoC system encourages services aimed at reducing incidences of homelessness, including:

- Emergency Rental (Rapid Rehousing assistance) and Utility Assistance: Short-term financial assistance to prevent eviction and utility shut-off.
- Credit Counseling: Financial counseling and advocacy to assist households to repair credit history.
- Legal/Mediation Services: Tenant-landlord legal/mediation services to prevent eviction.
- Food Banks and Pantries: Direct provision of food, toiletries and other necessities.
- Transportation Assistance: Direct provision of bus vouchers and other forms of transportation assistance.
- Clothing Assistance: Direct provision of clothing for needy families and individuals.
- Prescription/Medical/Dental Services: Direct provision of prescription, medical and dental services.

- Workforce Development: Direct provision of job training services designed to develop and enhance employment skills, as well as to help clients secure and retain living wage jobs.
- Information & Referral Services: Direct provision of 24-hour/7-days-a-week call center services to provide health and human service information to at-risk populations.
- Recuperative care for homeless individuals who become ill or injured.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

In support of CoC efforts, the City's Consolidated Plan - Strategic Plan and Annual Action Plans call for the use of CDBG and leveraged City funds to support activities implemented by local nonprofit organizations that provide services to help prevent and eliminate homelessness, including families at risk of homelessness, veterans, victims of domestic violence and emancipated foster youth. The City also leveraged CDBG funds throughout the 2015-2019 Consolidated Plan period to preserve the supply of affordable housing in Hesperia through Housing Authority funds and the City's EEMR and HRLP programs.

In addition, efforts are underway at the regional level to shorten the period of time that individuals and families experience homelessness and to prevent individuals and families who were recently homeless from becoming homeless again. The 2-1-1 regularly works with public service agencies to analyze the resources and funding being used to operate transitional housing programs and consider how these resources could be used more in alignment with the best practices (i.e. rapid re-housing and permanent housing) for ending homelessness with the emphasis of the "Housing First" model. Many transitional housing providers are working to End Homelessness, to evaluate strategies to lower program threshold requirements, and improve outcomes including shorter shelter stays and more rapid transitions to permanent housing. The County also encourages the importance of increasing the number of permanent supportive housing units within its jurisdiction and increase in rapid rehousing assistance which helps individuals and families quickly exit homelessness to permanent housing without any preconditions for obtaining assistance (such as employment, income, absence of criminal record, or sobriety).

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The City of Hesperia Housing Authority was formed on April 5, 2011 under State of California Housing Authority Law to actively improve existing neighborhoods and develop affordable housing opportunities using local, state and federal resources. The Hesperia Housing Authority does not administer Section 8 and does not own HUD Public Housing; however, the City is within the service area of the Housing Authority of the County of San Bernardino (HACSB) for the purposes of Section 8 and Public Housing.

During the 2017-2018 program year, HACSB continued providing housing and public services to existing residents of HUD Public Housing units and HACSB-owned affordable housing units. HACSB was able to assist a total of 285 families through its Voucher Rental Assistance Program. To enhance the quality of HUD Public Housing units, HACSB has been working towards converting existing HUD Public Housing units currently under HACSB's management and control to Section 8 units as part of HUD's Rental Assistance Demonstration (RAD) program. In 2016, 552 public housing units were converted under RAD and the remaining 354 public housing units are anticipated to be converted by the end of March 2018 (HACSB 2017 Annual Report).

In 2017, HACSB partnered with the Upland Housing Authority (UHA) and requested permission from HUD to transfer the UHA's Housing Choice Voucher and Public Housing Programs. As of July 1, 2017, HUD approved all housing assistance services provided by UHA to be transferred to HACSB.

HACSB continues to maintain and expand the supply of affordable housing units in the City of Hesperia and throughout San Bernardino County through its partnerships with the State of California, San Bernardino County Department of Community Development and Housing, the City of Hesperia and other cities throughout the county.

In the fall of 2017, HACSB celebrated the grand opening of the Olive Meadow Affordable Housing Community, consisting of 62 high-quality affordable homes representing the first phase of the Waterman Gardens Affordable Housing site revitalization.

In January 2018, HACSB and various partners applied for \$20 million in funding to support the completion of the one-for-one replacement of all of the original 252 public housing units located within Arrowhead Grove Neighborhood Revitalization effort.

In January 2018, HACSB and various partners applied for \$20 million in funding to support the completion of the one-for-one replacement of all of the original 252 public housing units located within Arrowhead Grove Neighborhood Revitalization effort.

During 2018, HACSB anticipates the completion of a 77-unit affordable housing development adjacent to the Veterans Affairs hospital in Loma Linda. The Housing Authority is collaborating with Meta Housing and Housing Partners I Inc. to deploy 50-project-based Veterans Affairs Supportive Housing (VASH) vouchers and 27-project-based vouchers supporting homeless veterans.

During 2018, HACSB will continue partnering with Related Companies and Housing Partners I to complete construction of the Sierra Family Apartments project in Fontana. The Housing Authority is providing 8 project-based vouchers to assist in the development of 70 new affordable family housing units.

Lastly, during 2018, HACSB anticipates completing the rehabilitation of Golden Apartments in San Bernardino which will convert 21 existing two-story, two-bedroom apartments to 38 one-bedroom flats.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

HACSB encourages residents to be actively involved in the community and in the management of public housing developments through resident councils and numerous opportunities for feedback such as community meetings and surveys. The HACSB and the City of Hesperia also actively encourage and promote public housing residents to explore homeownership opportunities and programs through HACSB's Homeownership Assistance Program targeted at current residents. HACSB also encourages and supports residents in participating in homebuyer counseling programs and recommends residents use the family self-sufficiency escrow account to save money towards homeownership. Under the Family Self-Sufficiency Program (FSS) participants develop a five-year training and service plan that outlines the steps to become employed, increase their earnings, and become independent of government assistance. Upon graduation of the FSS program, graduates are allowed to use the escrow account funds towards a homeownership.

Under the Housing Authorities Homeownership Assistance Program, families are provided mortgage assistance for up to 15 years for working families and up to 30 years for disabled families. A total of 232 families have become homeowners through the program since 2002.

The City of Hesperia also provides a number of resources on services for foreclosure prevention and counseling.

Actions taken to provide assistance to troubled PHAs

Not applicable. HACSB is considered a High Performing PHA.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

Based on information gathered during community meetings, the Consolidated Plan Needs Assessment Survey, the 2013-2021 Housing Element and market analysis, the primary barriers to affordable housing in Hesperia, as well as throughout California, are housing affordability and the lack of monetary resources necessary to develop and sustain affordable housing. The two (2) barriers are related in the sense that demand for affordable housing exceeds the supply and insufficient resources are available to increase the supply of affordable housing to meet demand.

To address housing affordability and the lack of monetary resources for affordable housing, the 2015-2019 Consolidated Plan - Strategic Plan calls for the investment of a significant portion of CDBG funds for the rehabilitation and preservation of 65 existing affordable housing units throughout the combined five years. Although the City no longer has access to Redevelopment Housing Set-Aside funds, the City will continue to leverage its CDBG funds to attract private and other available public resources. This strategy will increase the supply of affordable housing and preserve existing affordable housing in the City.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The primary obstacles to meeting the underserved needs of low- and moderate-income people include lack of funding from federal, state and other local sources, the high cost of housing that is not affordable to low-income people and the lack of availability of home improvement financing in the private lending industry. To address these obstacles, the City invested CDBG funds through the 2017-2018 Action Plan and leveraged funds in projects that provide grants and loans to low- and moderate-income homeowners for home improvements, projects that provide public and neighborhood services to low- and moderate-income people and those with special needs, and projects that prevent homelessness. To address underserved needs, the City allocated 100 percent of its non-administrative CDBG percent of its investments for program year 2017-2018 to projects and activities that benefit low- and moderate-income people.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The Residential Lead Based Paint Hazard Reduction Act of 1992 (Title X) emphasizes prevention of childhood lead poisoning through housing-based approaches. This strategy requires the City to implement programs that protect children living in older housing from lead hazards.

Overall, the City has a relatively young housing stock, with 18,121 of the City's total housing units (70.7 percent) being built after 1979 according to ACS data. The remaining 7,510 units (29.3 percent) constructed before 1980 have the most potential risk to contain lead-based paint. In these units, the best way to have reasonable assurance that lead-based paint hazards are not present is to have the painted surfaces tested.

According to the City of Hesperia Housing Rehabilitation Loan Program, a typical lead-based paint screening survey costs approximately \$450. To reduce lead-based paint hazards, the City of Hesperia takes the following actions:

- Include lead testing and abatement procedures if necessary in all residential rehabilitation activities for units built prior to January 1, 1978.
- Monitor the lead-poisoning data maintained by the San Bernardino County Department of Public Health (SBDPH). According to SBDPH, there were 4 incidents of Hesperia children with blood lead levels greater than 9.5 micrograms per deciliter, and a total of 5 documented cases with levels equal to or greater than 20 micrograms per deciliter from 2009-2013.
- Educate residents on the health hazards of lead-based paint through the use of brochures and encourage screening children for elevated blood-lead levels.
- Disseminate brochures about lead hazards through organizations such as Inland Fair Housing and Mediation Board (IFHMB) and the City's housing rehabilitation programs.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The implementation of CDBG activities meeting the goals established in this Plan will help to reduce the number of poverty-level families by:

- Supporting housing preservation programs that assure low income households have a safe, decent and appropriate place to live;
- Supporting activities that fulfill the HUD mandate to further fair housing choice through the provision of fair housing education, counseling, anti-discrimination and landlord-tenant mediation;
- Supporting public services through the non-profits funded by City leverage dollars (CAP Program) that serve the community's youth, seniors, families and those with special needs;
- Supporting a continuum of housing and public service programs to prevent and eliminate homelessness through City leveraged dollars (CAP Program); and
- Supporting activities that preserve and enhance neighborhood aesthetics and improve infrastructure to benefit low-and moderate-income residents of Hesperia.

In addition to these local efforts, mainstream state and federal resources also contribute to reducing the number of individuals and families in poverty. Federal programs such as the Earned Income Tax Credit and Head Start provide a pathway out of poverty for families who are ready to pursue employment and educational opportunities. Additionally in California, the primary programs that assist families in poverty are CalWORKs, CalFresh (formerly food stamps) and Medi-Cal. Together, these programs provide individuals and families with employment assistance, subsidy for food, medical care, childcare and cash payments to meet basic needs such as housing, nutrition and transportation. Other services are available to assist persons suffering from substance abuse, domestic violence and mental illness.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The institutional delivery system in Hesperia is high-functioning and collaborative—particularly the relationship between local government and the nonprofit sector comprised of a network of capable non-profit organizations that are delivering a full range of services to residents. Strong City departments anchor the administration of HUD grant programs and the housing and community activities that are implemented in the City. These are supported and enhanced through the City's collaboration with nonprofit agencies receiving CDBG funds by ensuring that the needs of low- and moderate-income residents are met. The institutional delivery system is successfully being implemented as envisioned within the 2015-2019 Consolidated Plan and Strategic Plan.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

To enhance coordination between public and private housing and social service agencies, the City will continue consulting with and inviting the participation of a wide variety of agencies and organizations involved in the delivery of housing and supportive services to low- and moderate-income residents in Hesperia—particularly the CDBG Target Areas. The City has also developed its Community Assistance Program (CAP) which utilizes City leveraged dollars to fund non-profits through less administratively restrictive funds to ensure its residents are provide the services they require.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The 2015 Analysis of Impediments to Fair Housing Choice (AI) adopted by the Hesperia City Council on April 7, 2015 included one (1) impediment that remained unresolved from the 2010-2014 AI and one (1) new impediment to fair housing choice. During the 2017-2018 program year, the City of Hesperia's Economic Development Department worked directly with its fair

housing service provider, Inland Fair Housing and Mediation Board (IFHMB) on the impediments to affirmatively further fair housing choice through the implementation of recommendations contained within the Fair Housing Plan. The City advertises and promotes events providing fair housing services on the City's Webpage Events Calendar as well as makes Fair Housing brochures readily accessibility at City Hall. Through its fair housing workshops, IFHMB has been able to successfully educate tenants and landlords of their rights and responsibilities. In addition, the City has found that improvements pertaining to egress and ingress on older housing units are being made in compliance with the Americans with Disabilities Act (ADA) as well as new construction (The Villas, 55+).

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

During the 2017-2018 program year, the City has limited the amount of activities it has funded to City run activities and fair housing services in an effort to streamline the City's CDBG program and ensure that CDBG funds are used efficiently and in compliance with applicable regulations. The City's Economic Development Department provides technical assistance to its fair housing service provider as well as other City departments at the beginning of the program year and monitors all activities throughout the program year.

Technical Assistance

To enhance compliance with federal program regulations, the City's Notice of Funding Availability (NOFA) paperwork provides detailed information regarding the City's Con Plan goals, program requirements and available resources for award. Subsequent to the approval of the Annual Action Plan, Subrecipient Agreements and Memorandums of Understandings (MOUs) are reviewed in detail with all parties to ensure overall activity compliance and to review the City's compliance procedures and requirements. Additionally, individualized technical assistance is provided on an as-needed basis throughout a program year.

Activity Monitoring

All activities are monitored, beginning with a detailed review upon receipt of an application to determine eligibility, conformance with a National Objective and conformance with a Strategic Plan goal. This review also examines the proposed use of funds, eligibility of the service area, eligibility of the intended beneficiaries and likelihood of compliance with other federal requirements such as the National Environmental Policy Act, the System for Award Management (SAM) debarment list, prevailing wage, Minority and Women Business Enterprise, Section 3 and federal acquisition and relocation regulations, as applicable.

Subrecipients submitted an audit and other documentation to establish their capacity, and any findings noted in the audit are reviewed. In such instances where Audit findings arise, the agency is required to provide the City documentation resolving the finding. Subsequent to entering into a written agreement, staff and consultants performed periodic desk monitoring including ongoing review of required performance reports and documentation to substantiate CDBG expenditures. The reviews also included both a fiscal and programmatic review of the subrecipient's activities. The reviews determine if the activities are in compliance with the

program regulations and City contract and/or MOU. Areas of review included overall administration, financial systems, appropriateness of program expenditures, program delivery, client eligibility determination and documentation, reporting systems, and achievement toward achieving contractual goals. No deficiencies or non-compliance with the program requirements were identified during the 2017-2018 program year.

For CDBG capital projects, monitoring of Davis-Bacon, Minority and Women's Business Enterprise (MBE/WBE) and Section 3 requirements were conducted by LDM Associates, Inc. to determine the adequacy of implementation by the Development Services Department and its consultants.

The City received an onsite monitoring by HUD in August 2018 to ensure overall compliance with the National Environmental Policy Act. During the exit conference with HUD representatives, no findings were identified.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

In accordance with the City's adopted Citizen Participation Plan, a public notice was published in the Hesperia Resorter in English and in Spanish on August 16, 2018 and August 23, 2018, respectively, and the Daily Press in Spanish on August 16, 2018 notifying the public of the availability of the Consolidated Annual Performance and Evaluation Report for a 15-day public review and comment period. A copy of the public notices are included in Appendix A.

The draft CAPER was available on the City website and at the following locations:

City Clerk's Office
9700 Seventh Avenue
Hesperia, California 92345

Economic Development Department
9700 Seventh Avenue
Hesperia, California 92345

Hesperia Public Library
9560 Seventh Avenue
Hesperia, California 92345

A public hearing was conducted before the City Council on Tuesday, September 18, 2018 to solicit comments from residents and interested parties. A summary of all written or oral comments received during the public hearing are included in Appendix B.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

CDBG funds are making a significant impact on strategies to address the high priority needs identified in the 2015-19 Consolidated Plan – Strategic Plan. As shown in Figure 1 in section CR-05 of this document, CDBG funds contributed to three (3) of the four (4) Strategic Plan goals reported in Table 1 of this document as well as the Housing Preservation Strategic Plan goal contained in the Consolidated Plan, in which the City utilized unspent prior year CDBG funds under the EEMR and HRLP programs.

Housing Preservation

To support the City's vision of housing preservation, CDBG funds from prior year funds were used for the implementation of its EEMR and HRLP programs. Through the successful execution of administering these programs, the City's Department was able to complete the rehabilitation of three (3) housing units.

Fair Housing Services

For the implementation of the City's Fair Housing Services, the City funded Inland Fair Housing and Mediation Board in the amount of \$15,000. The funds were used for the provision of fair housing outreach, education and enforcement activities, including landlord-tenant matters. During the program year, this activity exceeded its service goal of 212 people by 406 people, serving 618 people.

Public Services for Low-income Residents/Senior Services/Homeless Prevention and Special Needs Services

To support the City's initiative for Public Services for Low-income residents, leveraged City funds were awarded to 11 agencies that provided different public services for the residents of Hesperia. Such services ranged from food banks/pantries, senior/disabled adult services, shelter and shelter services, veteran services and other various public services. In total, the agencies provided public service assistance to 9,084 primarily low- and moderate-income residents.

Neighborhood Preservation and Infrastructure Improvements

To improve City of Hesperia public facilities 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 as well as residents of low-

and moderate-income housing, the City invested CDBG resources to address this Strategic Plan goal through the funding of the 2016-2017 and 2017-2018 Street Improvement Projects (two separate projects). Although a majority of the physical reconstruction of the 2017-2018 Street Improvement Project was completed during the 2017-2018 program year, the City is currently in the process of finalizing the labor compliance portion of the project in an effort to release retention for overall completion in IDIS. This project is anticipated to be completed during the first quarter of the 2018-2019 program year.

Economic Opportunity

Economic Development initiatives are time consuming to implement and therefore, the City decided to forego these efforts during the first two years of the Consolidated Plan period and fund housing, public services and infrastructure improvements to assist low- and moderate-income people and disabled individuals. However, the City has awarded funds for the 2017-2018 and 2018-2019 program years for Economic Opportunity type activities in an effort to meet its five-year goals through its Downtown Revitalization Commercial Façade Improvement Program which plans on assisting eligible business with façade and ADA type improvements to increase job opportunities and as well as business retention.



2017/2018
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
JULY 1, 2017 THROUGH JUNE 30, 2018

APPENDIX A
Public Notices



2017/2018
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
JULY 1, 2017 THROUGH JUNE 30, 2018

APPENDIX B
Summary of Citizen Participation Comments



2017/2018
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
JULY 1, 2017 THROUGH JUNE 30, 2018

APPENDIX C
IDIS Reports



2017/2018
CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
JULY 1, 2017 THROUGH JUNE 30, 2018

APPENDIX D
SPEARS – HUD 60002

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City of Hesperia STAFF REPORT



DATE: September 18, 2018

TO: Mayor and Council Members

FROM: Nils Bentsen, City Manager

BY: Rachel Molina, Assistant to the City Manager
Julie Ryan, Management Analyst

SUBJECT: Resolutions Supporting Statewide Propositions on the November 6, 2018
General Election Ballot

RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2018-60, supporting Proposition 6, which would repeal Senate Bill 1 (SB 1), known as the "Road Repair and Accountability Act" and adopt Resolution No. 2018-61, supporting Proposition 5, the Property Tax Transfer Initiative, which would amend Proposition 13.

BACKGROUND

Voters will be asked to weigh in on a variety of proposed statewide ballot measures during the November 6, 2018, General Election. At the request of Council Member Brosowske, it is recommended that the City Council take a support position on Proposition 6 and Proposition 5.

Proposition 6

On April 28, 2017, the Governor signed SB 1, the 2017 transportation tax and fee bill, which is funded by the newly established Road Maintenance and Rehabilitation Account (RMRA), and receives four sources of new revenue to address basic road maintenance, rehabilitation and critical safety needs on both the state highways and local streets and road system. RMRA sources of funds include increases to the fuel excise taxes, diesel fuel sales taxes, and vehicle registration fees.

SB 1 established the Road Maintenance and Rehabilitation Account and funds it with revenues derived from the following sources, all of which are indexed to inflation on an annual basis:

- Effective November 1, 2017, an increase in the gasoline excise tax of 12 cents per gallon. This adjustment restores the purchasing power of the gasoline excise tax to 1994 levels.
- Effective November 1, 2017, an increase of 20 cents per gallon in the diesel excise tax. Under the provisions of SB 1, half of the revenues from this increase would be deposited into the Road Maintenance and Rehabilitation Account. The other 50 percent would go to a new Trade Corridor Enhancement Program for corridor-based freight projects nominated by local agencies and the state from submitted grant applications.
- Effective January 1, 2018, a new transportation improvement fee assessed per year by the Department of Motor Vehicles (DMV) that will range from \$25 to \$175 based on the market value of an individual's vehicle.
- Effective July 1, 2020, a new vehicle registration surcharge of \$100 per year imposed on zero-emission vehicles. This surcharge will be paid starting with the second year of ownership of a new zero-emission vehicle model year 2020 or later.

These revenues are distributed to a range of existing transportation and cap-and-trade programs such as the State Highway Operation and Protection Program (SHOPP), the State Transit Assistance (STA) Program and Active Transportation and Transit and Intercity Rail Capital (TIRCP) programs, as well as newly established categories created by SB 1. These new categories include the Local Streets and Roads Program, the Solutions for Congested Corridors program, the Trade Corridors Enhancement Program and the Local Partnership Program.

It is important to note that funds raised by the gasoline tax are dedicated to road maintenance and rehabilitation and split 50/50 between the State Highway Program and Local Streets and Roads. It is the diesel tax along with a portion of the transportation fee that funds transit and rail.

When all taxes and fees are in effect in 2021, the following sources are projected to generate significant statewide revenues:

- Gasoline Excise Tax: \$2.4 billion
- Diesel Excise Tax: \$700 million
- Zero Emission Vehicle Registration Fees: \$18 million

On June 25, 2018 the California Secretary of State announced that proponents of a repeal of Senate Bill 1 (Beall) the “Road Repair and Accountability Act of 2017” (SB 1) had garnered enough valid signatures to place the measure before California voters in the general election on November 6, 2018.

California State Transportation Agency (CalSTA) has indicated that, if Proposition 6 is passed by the voters and SB 1 were to be repealed, their stated goal would be to try to support the completion of projects that are currently under construction, and to wind down SB 1 programs by discontinuing future grant awards.

Proposition 5

Proposition 5 is an amendment to California Proposition 13, the Tax Limitations Initiative, which was first on the ballot for the election on June 6, 1978. Voters approved Proposition 13 that required properties be taxed at no more than 1 percent of their full cash value shown on the 1975-1976 assessment rolls and limited annual increases of assessed (taxable) value to the inflation rate or 2 percent, whichever was less. When a property is sold or transferred to new owners, however, the property is reassessed at 1 percent of its full cash value and the limit on increases to assessed value resets.

In 1986, voters approved Proposition 60, which amended Proposition 13 to allow homeowners over the age of 55 to transfer the taxable value of their present home to a replacement home, assuming the replacement home was of equal or lesser value, located within the same county, and purchased within two years of selling the original home.

Proposition 13 was again amended in 1988 when voters approved Proposition 90, which allowed qualified homeowners age 55 or older to transfer the current taxable value of their original home to a replacement home in another county, but only if the county in which the replacement home is located agrees to participate in the program.

Proposition 5, if passed, would amend Proposition 13 again to allow homebuyers who are age 55 or older or severely disabled to transfer their tax assessments between any counties, not just the counties adopting ordinances for the transfers.

ISSUES/ANALYSIS

Proposition 6

The majority of revenues generated by fuel tax increases flow into the State's Road Maintenance and Rehabilitation Account (RMRA) and are then distributed to formula and competitive grant programs such as:

- Local Streets and Roads Program (\$1.5 billion);
- Local Partnership Program (\$200 million);
- Active Transportation Program (\$100 million);
- State Highway Operation and Protection Program (\$1.5 billion); and
- State Transportation Improvement Program.

SB 1 was enacted into law on April 28, 2017, without a vote by the people. As of 2018, increasing a tax in California requires a two-thirds vote of each state legislative chamber and the governor's signature. Proposition 6 would create the additional step of voter approval (via ballot propositions), along with legislative passage and the governor's signature, to impose, increase, or extend fuel taxes or vehicle fees. The requirement that tax increases receive voter approval would affect taxes and tax rates enacted after January 1, 2017, meaning fuel taxes and vehicle fees that were created or increased in 2017 or 2018 would be repealed. This would have the effect of repealing the Road Repair and Accountability Act of 2017 (RRAA), which the state legislature approved along party lines in April 2017.

Proposition 5

California Proposition 13, the Tax Limitations Initiative, was on the ballot for the election on June 6, 1978. Voters approved Proposition 13, with 64.79 percent voting for passage. Proposition 13 required that properties be taxed at no more than 1 percent of their full cash value shown on the 1975-1976 assessment rolls and limited annual increases of assessed (taxable) value to the inflation rate or 2 percent, whichever was less. When a property is sold or transferred to new owners, however, the property is reassessed at 1 percent of its full cash value and the limit on increases to assessed value resets.

Proposition 5 would amend Proposition 13 to allow homebuyers who are age 55 or older or severely disabled to transfer the tax-assessed value from their prior home to their new home, no matter (a) the new home's market value; (b) the new home's location in the state; or (c) the number of moves. As of 2018, homebuyers over 55 years of age were eligible to transfer their tax assessments from their prior home to their new home if the new home's market value is equal to or less than the prior home's value and once in their lifetimes. Furthermore, counties, not the state, decide whether tax assessments can be transferred across county lines.

If the new home is a different value than the prior home, the initiative would allow for an adjusted value between the old and new values. If the new home has a higher market value

then the prior home, the assessed value would be adjusted upward. If the new home has a lower market value than the prior home, the assessed value would be adjusted downward

The change to Proposition 13 through the amendments proposed by Proposition 5 is important because seniors, who are often on a fixed income, fear they will not be able to afford a big property tax increase if they sell their existing home and buy another one, discouraging them from ever moving. As a result of this “moving penalty” almost three-quarters of homeowners 55 and older haven’t moved since 2000.

FISCAL IMPACT

While there is significant fiscal impact if Proposition 6 is approved and SB 1 is repealed, there is no impact with approval of these recommendations.

The following represents revenues the City would lose if the Propositions pass:

Proposition 6:

- SB 1 Local Partnership Program Grant Award: \$3.9 million for Ranchero Road.
- SB 1 Sustainable Communities Planning Grant Award: \$238,146 for I Avenue Alignment Study.
- SB 1 Local Funding: \$1.56 million for Main Street pavement rehabilitation from La Junta to the west.

Proposition 5:

- The possibility of some annual property tax losses that help pay for infrastructure and public safety.
- This possibility is unlikely as this region tends to have lower assessed values than surrounding areas.

ALTERNATIVES

1. Do not support the Propositions.
2. Take no position.
3. Provide further direction to staff.

ATTACHMENT

1. Resolution No. 2018-60
2. Resolution No. 2018-61

RESOLUTION NO. 2018-60

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, SUPPORTING PROPOSITION 6 ON THE NOVEMBER BALLOT WHICH WOULD REPEAL SENATE BILL 1, ALSO KNOWN AS THE “ROAD REPAIR AND ACCOUNTABILITY ACT”

WHEREAS, in 2017, the California State Legislature passed, and Governor Brown signed, Senate Bill 1 (SB 1), also known as the “Road Repair and Accountability Act,” a transportation investment program designed to: (1) rebuild California’s transportation infrastructure by fixing neighborhood streets, freeways and bridges in communities across the State; and (2) strengthen, revitalize, and improve transit systems and congested trade and commute corridors; and

WHEREAS, SB 1 is funded by the newly established Road Maintenance and Rehabilitation Account (RMRA) by fuel excise taxes, diesel fuel sales taxes, and vehicle registration fees; and

WHEREAS, Proposition 6, on the November 2018 General Election Ballot would repeal SB 1 and require voter approval for transportation fuel tax and vehicle fee increases moving forward; and

WHEREAS, passing of Proposition 6 would put funds back in the households of citizens, especially those who travel long distances to reach employment destinations; and

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA AS FOLLOWS:

- Section 1. That the City Council opposes any new taxes or tax increases, or any other financial burden on state and local governments, employers and household in California.
- Section 2. That the City Council does hereby officially declare its support to Proposition 6 and does hereby authorize the listing of the City of Hesperia in support to Proposition 6: Voter Approval for Future Gas and Vehicle Taxes and 2017 Tax Repeal Initiative (2018).
- Section 3. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 18th day of September, 2018.

William J. Holland
Mayor

ATTEST:

Melinda Sayre
City Clerk

RESOLUTION NO. 2018-61

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HESPERIA, CALIFORNIA, SUPPORTING PROPOSITION 5, THE PROPERTY TAX TRANSFER INITIATIVE, ON THE NOVEMBER BALLOT, WHICH WOULD AMEND PROPOSITION 13

WHEREAS, Proposition 5 is an amendment to California Proposition 13, the Tax Limitations Initiative, which was first on the ballot for the election on June 6, 1978; and

WHEREAS, Proposition 13 required that properties be taxed at no more than 1 percent of their full cash value shown on the 1975-1976 assessment rolls and limited annual increases of assessed (taxable) value to the inflation rate or 2 percent, whichever was less; and

WHEREAS, Proposition 13 was last amended by Proposition 90 (1988) which allowed qualified homeowners to transfer the current taxable value of the original home to a replacement home in another county, but only if the county in which the replacement home is located agrees to participate in the program; and

WHEREAS, Proposition 5 would further amend Proposition 13 to allow homebuyers who are age 55 or older or severely disabled to transfer their tax assessments between any counties, not just the counties adopting ordinances for the transfers; and

WHEREAS, passing of Proposition 5 is important to residents age 55 or older or severely disabled, who are often on a fixed income, due to fear of increased property taxes if an existing home is sold and another home purchased; and

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HESPERIA
AS FOLLOWS:**

- Section 1. That the City Council opposes any new taxes or tax increases, or any other financial burden on state and local governments, employers and household in California.
- Section 2. That the City Council does hereby officially declare its support to Proposition 5 and does hereby authorize the listing of the City of Hesperia in support to Proposition 5: the Property Tax Transfer Initiative.
- Section 3. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

ADOPTED AND APPROVED this 18th day of September, 2018.

William J. Holland
Mayor

ATTEST:

Melinda Sayre
City Clerk