

Exhibit A



City of Hesperia

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**CONSOLIDATED ANNUAL  
PERFORMANCE AND  
EVALUATION REPORT (CAPER)**

Program Year 2017-2018

DRAFT – September 18, 2018

Prepared by:



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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
<b>1. Economic Opportunity</b>				
2017 Downtown Revitalization Comm. Façade Imp. Program	CDBG	\$84,490.00	\$0.00	0.00%
<b>Subtotal</b>		<b>\$84,490.00</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>2. Housing Preservation</b>				
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%
<b>Subtotal</b>		<b>\$438,802.67</b>	<b>\$293,853.08</b>	<b>66.97%</b>
<b>3. Fair Housing Services (Admin CAP)</b>				
2017 Inland Fair Housing and Mediation Board (IFHMB)	CDBG	\$15,000.00	\$15,000.00	100.00%
<b>Subtotal</b>		<b>\$15,000.00</b>	<b>\$15,000.00</b>	<b>100.00%</b>
<b>4. Public Services for Low-Income Families (CAP Program)</b>				
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 - Orinda 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%
<b>Subtotal</b>		<b>\$89,500.00</b>	<b>\$88,090.82</b>	<b>98.43%</b>
<b>5. Senior Services (CAP Program)</b>				
2017 Victor Valley Community Services Council	Leveraged Funds	\$10,000.00	\$10,000.00	100.00%
<b>Subtotal</b>		<b>\$10,000.00</b>	<b>\$10,000.00</b>	<b>100.00%</b>
<b>6. Homeless Prevention (CAP Program)</b>				
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%
<b>Subtotal</b>		<b>\$25,500.00</b>	<b>\$25,500.00</b>	<b>100.00%</b>
<b>7. Neighborhood Preservation and Infrastructure Improvements</b>				
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%
<b>Subtotal</b>		<b>\$3,262,955.96</b>	<b>\$2,790,986.25</b>	<b>85.54%</b>
<b>8. Affordable Housing</b>				
2016 First Time Homebuyer Program (FTHB)**	CDBG	\$200,000.00	\$0.00	0.00%
<b>Subtotal</b>		<b>\$200,000.00</b>	<b>\$0.00</b>	<b>0.00%</b>
<b>9. CDBG Administration (Admin CAP)</b>				
2017 CDBG Program Administration	CDBG	\$175,651.00	\$96,423.92	54.90%
<b>Subtotal</b>		<b>\$175,651.00</b>	<b>\$96,423.92</b>	<b>54.90%</b>
<b>Total for all Goals:</b>		<b>\$4,301,899.63</b>	<b>\$3,319,854.07</b>	<b>77.17%</b>
* 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
<b>1. Economic Opportunity</b>				
2017 Downtown Revitalization Comm. Façade Imp. Program	Businesses	2	0	0.00%
<b>Subtotal</b>		<b>2</b>	<b>0</b>	<b>0.00%</b>
<b>2. Housing Preservation</b>				
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%
<b>Subtotal</b>		<b>32</b>	<b>34</b>	<b>106.25%</b>
<b>3. Fair Housing Services (Admin CAP)</b>				
2017 Inland Fair Housing and Mediation Board (IFHMB)	People	212	618	291.51%
<b>Subtotal</b>		<b>212</b>	<b>618</b>	<b>291.51%</b>
<b>4. Public Services for Low-Income Families (CAP Program)</b>				
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%
<b>Subtotal</b>		<b>8045</b>	<b>8821</b>	<b>109.65%</b>
<b>5. Senior Services (CAP Program)</b>				
2017 Victor Valley Community Services Council	People	60	68	113.33%
<b>Subtotal</b>		<b>60</b>	<b>68</b>	<b>113.33%</b>
<b>6. Homeless Prevention (CAP Program)</b>				
2017 Family Assistance Program	People	75	150	200.00%
2017 High Desert Homeless Services	People	70	45	64.29%
<b>Subtotal</b>		<b>145</b>	<b>195</b>	<b>134.48%</b>
<b>7. Neighborhood Preservation and Infrastructure Improvements</b>				
2016 Street Improvement Project	People	7655	7655	100.00%
2017 Street Improvement Project*	People	1000	0	0.00%
<b>Subtotal</b>		<b>8655</b>	<b>7655</b>	<b>88.45%</b>
<b>8. Affordable Housing</b>				
2016 First Time Homebuyer Program (FTHB)	Households	5	0	0.00%
<b>Subtotal</b>		<b>5</b>	<b>0</b>	<b>0.00%</b>
<b>9. CDBG Administration (Admin CAP)</b>				
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
<b>Total</b>	
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**

	<b>One-Year Goal</b>	<b>Actual</b>
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
<b>Total</b>	<b>0</b>	<b>0</b>

**Table 6 - Number of Households Supported**

	<b>One-Year Goal</b>	<b>Actual</b>
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
<b>Total</b>	<b>0</b>	<b>3</b>

**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**

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

**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.

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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**  
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**APPENDIX A**  
**Public Notices**





**2017/2018**  
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**APPENDIX B**  
**Summary of Citizen Participation Comments**



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**APPENDIX C**  
**IDIS Reports**



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**APPENDIX D**  
**SPEARS – HUD 60002**