



Cathedral City

**SUBSTANTIAL AMENDMENT
CITY OF CATHEDRAL CITY
FIVE-YEAR CONSOLIDATED PLAN**

Jurisdiction: City of Cathedral City
Program: Community Development Block Grant (CDBG)
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Summary of Changes:

The City of Cathedral City is recommending a Substantial Amendment to its Community Development Block Grant (CDBG) Five-Year Consolidated Plan (Con Plan) to eradicate the identified strategic goals originally funded by the former City Redevelopment Agency (RDA) and programs that offer assistance to residents through current regional programs and resources. While the City has obtained other funding sources and grants to fund public improvements, the dismantling of the former Redevelopment Agency left the City without such resources and, thus, the ability to accomplish these goals. The removal of these strategic goals will allow the City to be scored and evaluated based on the feasibility of the remaining strategic goals subsidized by CDBG funds.

Proposed Activities:

In accordance with Strategy 2 of the FY 2012-2016 Consolidated Plan, the City initially established ambitious goals to complete a number of different rehabilitation programs. Most of these goals were previously funded with the former RDA funds and through alternate means of funding sources would be used to accomplish these goals. Because the City's RDA has been eliminated, the City will need to go back and amended its existing Consolidated Plan to remove these goals that were originally proposed under RDA. If the City does not amend the Con Plan, these goals will remain under HUD's purview and the City will continue to be scored and evaluated based on its ability to obtain these goals.

In addition, the City previously established programs and goals that assist residents with energy efficiency upgrades and retrofits and sewer connections. As energy reduction efforts have increased and sustainable programs have been developed, Cathedral City residents have access to programs that can assist with energy efficiency upgrades and sewer connections. For example, the CV Upgrade (Ygrene) Program allows residents to utilize the equity of their home towards energy saving upgrades including sewer connection; making the program goals such as the Green Light Savings and Revolving Loan Fund programs in Strategy 2 of the Con Plan obsolete.

Furthermore, the Coachella Valley Association of Government (CVAG) also offers information on two programs offered through authorized amendments to existing legislation: Senate Bill 555

and Assembly Bill 811. Both the CV Upgrade (SB 555) and the Hero Program (AB 811) allow financing for any energy improvements permanently affixed to the property. Some of these financing options include:

- No up-front costs to property owners.
- Based on current property value, not credit score, allowing for easy qualification.
- Paid back through annual property taxes. Shows up as a separate line item on tax statement.
- Lien stays with property, not owner, in case of sale or refinance.
- Designed to lower monthly electric bills in order to offset the cost of increase in property taxes.

As such, the proposed Substantial Amendment will remove the following goals and programs from the Con Plan:

Program Name: Substantial Rehabilitation Program (SRP)

Specific Objective	Description	Funding Source	Five-Year Objectives	Anticipated Cost
DH-1.1	<p>Assist qualified homeowners to correct existing code violations and improve property conditions</p> <p>SRP is a deferred loan of up to \$50,000 offered at a 2% simple interest rate.</p> <p>Repayment of loan due at time of title change, resale, refinance with cash out, or non-compliance with program requirements</p>	<ul style="list-style-type: none"> • Previously funded with RDA set-aside funds. • City will seek alternative funding sources to accommodate this program. 	2 SRP loans per year	\$50,000 per loan, 2 loans per year Total: \$100,000 annually

Program Name: Senior Home Repair

Specific Objective	Description	Funding Source	Five-Year Objectives	Anticipated Cost
DH 2.1	<p>Offers single lifetime grant of \$5,000 per household for minor home repairs.</p> <p>Program intended to correct building code violations and promote weatherization and safety practices.</p>	<ul style="list-style-type: none"> • Previously funded through RDA. • City will seek alternative funding to accommodate this program. 	20 loans per year	\$5,000 per grant X 20 per year Total: \$100,000 annually

Program Name: Residential Beautification Program

Specific Objective	Description	Funding Source	Five-Year Objectives	Anticipated Cost
DH 3.1	<p>Offers grants up to \$7,500 for exterior home improvements.</p> <p>Program is to preserve housing and the quality of older neighborhoods with improvements to the façade</p>	<ul style="list-style-type: none"> • Previously funded through RDA • City will seek alternative 	20 grants per year	\$7,500 per grant X 20 per year Total: \$150,000 annually

	Encourages city pride & improvement of community image.	funding to accommodate this program.		
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Program Name: Green Light Savings

Specific Objective	Description	Funding Source	Five-Year Objectives	Anticipated Cost
DH 2.4	Green Lights Savings Offers grant funds up to \$5,000 to eligible homeowners for the purchase and installation of water and energy efficient products to low and moderate-income residents.	<ul style="list-style-type: none"> City will seek funding to accommodate this program. 	50 grants per year	\$5,000 per grant X 50 grants per year Total: \$250,000 annually

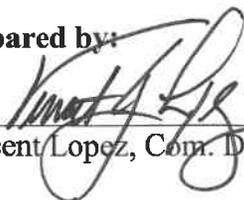
Program Name: Revolving Loan Fund for Sewer Connections

Specific Objective	Description	Funding Source	Five-Year Objectives	Anticipated Cost
DH 2.5	Revolving Loan Fund for Sewer Connections Program is designed to assist Low-Moderate Income Residents with total cost of sewer hook-up. The amount of assistance provided will vary according to income levels and number of persons living in the household. Home Owners are usually expected to contribute a portion towards the total cost of hookup.	<ul style="list-style-type: none"> CDBG. 	25 grants per year	\$5,000 per grant 25 grants per year

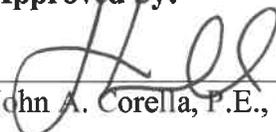
Overall Budget:

The proposed changes to the Consolidated Plan will not have a monetary effect on the City's General Fund or CDBG allocations. These changes are simply programmatic and will allow for adjustments to be made to the Consolidated Plan so that these changes are properly accounted and/or removed to better align the City's program goals with the appropriate allocated funding.

Prepared by:


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Approved by:


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