

Grantee: Riverside, CA

Grant: B-11-MN-06-0519

April 1, 2012 thru June 30, 2012 Performance Report



Grant Number:

B-11-MN-06-0519

Obligation Date:**Award Date:****Grantee Name:**

Riverside, CA

Contract End Date:

03/10/2014

Review by HUD:

Reviewed and Approved

LOCCS Authorized Amount:

\$3,202,152.00

Grant Status:

Active

QPR Contact:

Shonda Marie Herold

Estimated P/RL Funds:

\$0.00

Total Budget:

\$3,202,152.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The City of Riverside will use NSP3 funds for three (3) primary activities, plus administration:

- 1) Acquisition/rehabilitation and resale to income eligible homebuyers;
- 2) Acquisition/rehabilitation and rental using the required 25% of the funds to serve residents earning at or below 50% of the area median income. The City of Riverside intends to utilize these funds for acquisition/rehabilitation of multi-family units. Where possible, these units will be used to augment the special needs housing categories;
- 3) Acquisition/demolition/redevelopment of units where rehabilitation costs would exceed the purchase price; and
- 4) Administration of the program, which will not exceed 10% of the NSP3 grant and 10% of program income.

The City of Riverside will prioritize the use of the NSP funds by first targeting the acquisition of foreclosed units in neighborhoods with the areas of greatest need. The initially targeted areas will be in those neighborhoods that meet these criteria.

How Fund Use Addresses Market Conditions:

The City of Riverside has designed a program to address both the single-family and multi-family residential property component of the local housing market. Based on past experience with the local foreclosure market, it has been found that the single-family and multi-family foreclosures are not adequately being addressed by the private market. The City's programs have been designed with these observations in mind resulting in a focus on both single-family and multi-family properties for acquisition.

Ensuring Continued Affordability:

Continued affordability will be ensured for the entire period of affordability through monitoring, following the specific HOME monitoring requirements as defined in 24 CFR Part 92.

Definition of Blighted Structure:

The City of Riverside uses the State of California's definition of blight as found at California Health and Safety Code Sections 33030 and 33031.

The California Health and Safety Code Section 33031 describes physical conditions that cause blight related to structures as:

- 33031(a)(1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.
- 33031(a)(2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.
- 33031(b)(3) Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.
- 33031(b)(7) A high crime rate that constitutes a serious threat to public safety and welfare.



Definition of Affordable Rents:

For any NSP-funded rental activity, "affordable rents" shall be defined as 30% of the household's adjusted income, less utility allowances as adopted by the County of Riverside's Housing Authority for the Section 8 program, as appropriate. HUD's Fair Market Rent schedule for the Riverside/San Bernardino/Ontario MSA will be used. Should any gap be present, funds for this gap will be required from other sources of funding.

Housing Rehabilitation/New Construction Standards:

The NSP3 funds will use the City of Riverside's standards from the ongoing Housing Rehabilitation Program (funded from HOME, CalHome and Redevelopment Housing funds):

• Code / Health & Safety Repairs – The first priority of the Housing Rehab Program is to eliminate, or otherwise "cure", any and all pre-existing Code violations and Health & Safety hazards. Therefore, all rehab projects must correct any pre-existing code deficiencies and/or health & safety related repairs needed. This includes pre-existing construction found that was done without City permits (room additions, garage conversions, patio additions, etc). All such pre-existing construction must be either brought up to code and obtain approved building permits, or must be demolished, as part of the rehab project.

• Lead Based Paint Hazards – An additional priority of the Housing Rehabilitation Program is to reduce any lead based paint hazards present in homes. A Lead-Based Paint test (XRF testing) and a Risk Assessment are required on all rehabilitation projects to identify the existence and scope of any lead based paint hazards in the home. The standards of "Lead-Based Paint Poisoning Prevention in Federally Owned and Federally Assisted Housing" found at 24 CFR Part 35 apply.

• Termite Repairs – The Program requires a Termite Inspection Report be prepared for every home by a licensed inspector. The report should identify any termite or dry rot damaged wood members in the home as well as whether or not there are any active termite infestations in the home. The program requires that any termite or dry rot damaged wood members in the home be replaced or repaired due to the health and safety risk they pose to the structural integrity of the home. Fumigation or other treatments recommended to eliminate any active termite infestations are required.

• General Property Improvements – Once the cost of repairing all code deficiencies, health and safety items, lead based paint hazards, and termite repairs are totaled up, then any additional program funding may be used to address general property improvements. General property improvements may include a wide variety of items such as painting, replacement of fixtures, replacement of cabinets and vanities, replacement of flooring, energy efficiency upgrades, etc. General property improvements may NOT include any materials or items that are of a type and quality which exceeds the standards for similar properties in the area, or that far exceed the basic standards of "decent, safe, and sanitary housing". The minimally acceptable standards may be found at 24 CFR 983.101

Vicinity Hiring:

The City of Riverside will ensure that all construction contracts awarded with NSP3 funds include language regarding Section 3 and NSP3 vicinity hiring requirements and will monitor those contracts for compliance with these regulations.

Procedures for Preferences for Affordable Rental Dev.:

The City of Riverside is proposing to use a significant portion of its NSP3 allocation (25%) for the acquisition and/or rehabilitation of multi-family properties. These properties will be used for long-term affordable rental housing units.

Grantee Contact Information:

Michelle Davis, Housing Manager
3900 Main St., 5th Floor
Riverside, CA 92522

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$3,202,152.00
Total Budget	\$0.00	\$3,202,152.00
Total Obligated	\$0.00	\$2,721,829.00
Total Funds Drawdown	\$0.00	\$1,600,000.00
Program Funds Drawdown	\$0.00	\$1,600,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$764,428.25	\$2,519,072.20
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$480,322.80	\$0.00
Limit on Admin/Planning	\$320,215.20	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$320,215.20	\$320,215.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$800,538.00	\$1,600,000.00

Overall Progress Narrative:

To date, 46 dwelling units have been acquired, rehabilitated and sold or rented to qualified households. (44 apartment units serving Very Low/Low income households and two (2) single family homes sold to moderate income households).

During the April 1 through June 30th reporting period staff undertook a reconciliation of NSP project files, DRGR reporting and Department fiscal records as they relate to NSP. Technical Assistance was provided by our HUD Field Representative on July 16, 2012. The modifications noted in this QPR are a result of this reconciliation and are relatively minor in nature, reporting of one additional single family residence and one multi-family property. All draws related to this Grant will be processed prior to the next reporting period.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Acquisition and Rehab	\$0.00	\$1,121,829.00	\$0.00
2, Acquisition/Rehab/Rental	\$0.00	\$1,600,000.00	\$1,600,000.00
3, Acquisition/Demolition/Redevelopment	\$0.00	\$160,108.00	\$0.00
4, Administration	\$0.00	\$320,215.00	\$0.00



Activities

Grantee Activity Number:	NSP1
Activity Title:	Acquisition, Rehabilitation and Resale

Activity Category:

Acquisition - general

Project Number:

1

Projected Start Date:

04/18/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Acquisition and Rehab

Projected End Date:

03/01/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Riverside

Overall	Apr 1 thru Jun 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$415,033.82
Total Budget	\$0.00	\$415,033.82
Total Obligated	\$0.00	\$1,121,829.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$190,389.25	\$345,033.20
City of Riverside	\$190,389.25	\$345,033.20
Match Contributed	\$0.00	\$0.00

Activity Description:

This activity is for acquisition/rehabilitation/resale to first time homebuyers. The tenure of beneficiaries is home ownership; the duration of the assistance will be dependent on the household's debt capacity. Should there be an affordability gap, some portion of the City's original investment of acquisition and rehabilitation funds will remain in the property as a "silent second" (no monthly payments due, and a proportionate equity-share mechanism in lieu of interest) to be repaid upon change in title or status as owner-occupied housing. The property will have an affordability covenant recorded against it, for a period of 55 years. As with other assisted single family units through Riverside's rehabilitation programs and down-payment assistance programs, continued affordability is ensured through annual monitoring process. Initial acquisition by the City will be at least 1% below a current appraised value. The sales price will be no greater than the total investment by the City (including acquisition, rehabilitation and associated program delivery costs). For example, if a completed unit is sold for \$200,000, and \$25,000 remains as a "silent second", this amount represents 12.5% of the original purchase price. When the unit is sold in future years, the \$25,000 principal and 12.5% of any equity (increase in value less capital improvements and costs of sale) would be recaptured. For example if the unit is sold in the future for \$400,000, and capital improvements to the unit and costs of sale total \$50,000, then the amount due to the City would be \$43,750 (original principal of \$25,000, plus 12.5% of the equity which is calculated at \$400,000 less household's acquisition price of \$200,000, less \$50,000 in capital improvements and costs of sale: \$400,000 - \$200,000 = \$200,000; \$200,000 - \$50,000 = \$150,000; \$150,000 x 12.5% = \$18,750; \$18,750 + \$25,000 = \$43,750).

Location Description:

The program activity has identified the areas noted in Section 2 (Areas of Greatest Need) of the substantial amendment and further delineated in the map in Attachment A. This document can be found at the City's website.
><http://www.riversideca.gov/housing/stabilization-program.asp>



Activity Progress Narrative:

The rehabilitation of 1,059 sq.ft. 2 bedroom, 1 bathroom, vacant residential dwelling on a 6,534 square foot lot was completed for total cost of \$190,389.25. The property was sold for \$130,000 to a First Time Homebuyer of moderate income.

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	1		2/16	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	1		2/16	
# of Singlefamily Units	1		2/16	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	1	1	0/0	2/16	2/16	100.00
# Owner Households	0	1	1	0/0	2/16	2/16	100.00

Activity Locations

Address	City	County	State	Zip	Status / Accept
7564 San Juan Ave	Riverside		California	92504-2615	Match / Y

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



Grantee Activity Number: NSP2

Activity Title: Acquisition, Rehabilitation and Rental

Activity Category:

Acquisition - general

Project Number:

2

Projected Start Date:

04/18/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Acquisition/Rehab/Rental

Projected End Date:

03/01/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Riverside

Overall	Apr 1 thru Jun 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$2,309,857.37
Total Budget	\$0.00	\$2,309,857.37
Total Obligated	\$0.00	\$1,600,000.00
Total Funds Drawdown	\$0.00	\$1,600,000.00
Program Funds Drawdown	\$0.00	\$1,600,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$574,039.00	\$2,174,039.00
City of Riverside	\$574,039.00	\$2,174,039.00
Match Contributed	\$0.00	\$0.00

Activity Description:

This activity is for acquisition/rehabilitation/rental, specifically for households earning less than 50% AMI. The City will acquire foreclosed multi-family structures, and/or provide funding for non-profit special needs housing.

Location Description:

The program activity has identified the areas noted in Section 2 (Areas of Greatest Need) of the substantial amendment and further delineated in the map in Attachment A. This document can be found at the City's website.

><http://www.riversideca.gov/housing/stabilization-program.asp>

Activity Progress Narrative:

During the previous reporting period, two multi-family apartment complexes (3552 and 3553 Lou Ella Lane), totaling 44 units became available within the Chicago/Linden Neighborhood, a small neighborhood within Target Area 1. The Chicago/Linden Neighborhood is of strategic importance to the City, as it has been the focus of revitalization efforts over the past five years and of significant capital investment. The Housing Authority of the City of Riverside currently owns 72 apartment units within the Chicago/Linden Neighborhood (within Target Area 1). A combination of NSP1 and NSP3 funds were utilized to acquire 3552 Lou Ella lane, a 16 unit apartment complex. 68% of the acquisition came from NSP3; the remaining funding 32% came from NSP1. The remaining costs were borne by NSP1 and the remaining units are reported under that grant.

As previously reported, a second apartment complex (3553 Lou Ella Lane) was also listed for sale immediately adjacent to the property described above. HOME funds were utilized to acquire this property, thus leveraging impact in this geographic community.



Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	1	2/1
# of buildings (non-residential)	0	0/0
# of Parcels acquired by	0	0/0
# of Parcels acquired by admin	0	0/0
# of Parcels acquired voluntarily	1	2/1

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	16	44/28
# of Multifamily Units	16	44/28

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	16	0	16	44/28	0/0	44/28	100.00
# Renter Households	16	0	16	44/28	0/0	44/28	100.00

Activity Locations

Address	City	County	State	Zip	Status / Accept
3552 Lou Ella Lane	Riverside		California	92507-	Match / N

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number:	NSP3
Activity Title:	Acquisition/Demolition/Redevelopment

Activity Category:
Clearance and Demolition

Activity Status:
Planned

Project Number:
3

Project Title:
Acquisition/Demolition/Redevelopment

Projected Start Date:
04/18/2011

Projected End Date:
03/01/2014

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Riverside

Overall	Apr 1 thru Jun 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total Budget	\$0.00	\$0.00
Total Obligated	\$0.00	\$0.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
City of Riverside	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

This activity is for acquisition/demolition/redevelopment of foreclosed, abandoned single family properties that would require more funds to rehabilitate than to demolish and rebuild. After consultation with the City's Building Official, a determination would be made to demolish the structure instead of attempting to rehabilitate it. The property would then be made available to non-profit housing providers to plan the redevelopment of the property as soon as feasible. Redevelopment may include sale of the property at current fair market value, or below current fair market value, or partnership with the non-profit agency.

Location Description:

The program activity has identified the areas noted in Section 2 (Areas of Greatest Need) of the substantial amendment and further delineated in the map in Attachment A. This document can be found at the City's website.
><http://www.riversideca.gov/housing/stabilization-program.asp>

Activity Progress Narrative:

The City contemplated and was approved to operate an acquisition/demolition activity in the event that the sale of rehabilitated single family homes was not successful. The City has found a pool of appropriate dwelling units for acquisition and ready, willing and able buyers/renters interested in NSP homes and has therefore not moved forward with this activity thus far.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/2



	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/2
# of Singlefamily Units	0	0/2

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	0	0	0	0/0	0/2	0/2	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



Grantee Activity Number: NSP4

Activity Title: Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

4

Project Title:

Administration

Projected Start Date:

01/01/2011

Projected End Date:

03/01/2014

Benefit Type:

()

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

City of Riverside

Overall

Apr 1 thru Jun 30, 2012

To Date

Total Projected Budget from All Sources

N/A

\$344,732.86

Total Budget

\$0.00

\$344,732.86

Total Obligated

\$0.00

\$0.00

Total Funds Drawdown

\$0.00

\$0.00

Program Funds Drawdown

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$0.00

City of Riverside

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

The City will use up to 10% of the NSP3 funds for administration of the various programs and projects stated in the NSP Action Plan. Furthermore, if any program income is received, the City may elect to utilize 10% of that amount for future administration if needed.

Administration of NSP3 funds includes, but is not limited to, staffing costs to complete the following activities:

1. Overall administration of the NSP3 Program
 2. Compliance monitoring
 3. Environmental review for compliance with NEPA
 4. Contracting with consultant services for the implementation of program activities
 5. Procurement (including letting of appropriate Requests for Proposals, Notice of Funding Opportunities, etc.)
 6. Financial data collection and reporting
 7. Quarterly reporting
 8. Data entry and reporting through DRGR
 9. Providing technical assistance to activity sponsors
- Ensuring public participation

Location Description:

The City of Riverside, 3900 Main Street, Second Floor, Riverside, CA 92522

Activity Progress Narrative:

During the reporting period, staff accepted Requests for Proposals for new contractors to complete rehabilitations on NSP properties. The recommended contractors are subject to Housing Authority Board consideration on August 19, 2012. If approved by the Housing Authority Board, contracts will be executed and the panel will be in place, and ready to provide



services. Staff is also conducting a self-audit of hard copy, digital files and that information submitted to DRGR. All draws related to the activities reported in this QPR will be drawn prior to the next reporting period, at the conclusion of our self audit.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	County	State	Zip	Status / Accept
			California	-	Not Validated / N

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

