

Grantee: Riverside, CA

Grant: B-11-MN-06-0519

July 1, 2012 thru September 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:

\$245,178.61

Total Budget:

\$3,447,330.61

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	\$3,447,330.61
Total Budget	(\$400,000.00)	\$3,447,330.61
Total Obligated	(\$400,000.00)	\$2,321,829.00
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	\$27,516.41	\$2,546,588.61
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	\$344,732.86

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$800,538.00	\$2,309,857.37

Overall Progress Narrative:

During the July 1st to September 30th reporting period, staff continued to reconcile DRGR with actual accomplishment and draw funds expended.

A minor amendment to the action plan was completed and approved, adjusting the budget and direction of NSP3 funds from the acquisition, rehabilitation, re-sale of single-family residences to households between 80 &ndash 120% AMI and the acquisition and demolition of residential properties to the continued rehabilitation of Multi-Family properties to serve low and very-low income households.

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	\$921,829.00	\$0.00
2, Acquisition/Rehab/Rental	\$0.00	\$1,800,000.00	\$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:

Under Way

Project Title:

Acquisition and Rehab

Projected End Date:

03/01/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Riverside

Overall	Jul 1 thru Sep 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$415,033.82
Total Budget	(\$600,000.00)	\$415,033.82
Total Obligated	(\$600,000.00)	\$521,829.00
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	\$10.68	\$345,043.88
City of Riverside	\$10.68	\$345,043.88
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:

Consistent with the Overall Program Narrative, the Budget for this Activity was decreased from \$1,121,829 to \$742,740.38 as the focus of the Program has shifted to the acquisition/rehabilitation and rental of multi-family dwellings to serve low/very-low income households (LH-25).

\$10.68 of project improvement costs were incurred during the reporting period for 7546 San Juan. These costs were not previously reported.

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	0		2/3	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		2/3	
# of Singlefamily Units	0		2/3	

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	2/3	2/3	100.00
# Owner Households	0	0	0	0/0	2/3	2/3	100.00

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:	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:

Under Way

Project Title:

Acquisition/Rehab/Rental

Projected End Date:

03/01/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Riverside

Overall	Jul 1 thru Sep 30, 2012	To Date
Total Projected Budget from All Sources	N/A	\$2,309,857.37
Total Budget	\$200,000.00	\$2,309,857.37
Total Obligated	\$200,000.00	\$1,800,000.00
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	\$26,508.76	\$2,200,547.76
City of Riverside	\$26,508.76	\$2,200,547.76
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). NSP3 funds were utilized to acquire 3552 Lou Ella lane, a 16 unit apartment complex. As this area is of strategic importance to the on-going revitalization efforts, HOME funds were used to acquire the adjacent 28-unit apartment complex (3553 Lou Ella Lane) as well. Expenses in the amount of \$26,508.76 were incurred during the reporting period. These costs are related to the correction of an identified life-safety issue in the apartment units, wall heaters that vented directly into the bedrooms and could be a source of carbon monoxide poisoning. In addition to physical improvements funded by NSP3, during the reporting period the City of Riverside entered into a contract with Terra Nova Planning and Research, Inc. a planning and environmental consulting firm to undertake the drafting of a Strategic Plan for the Revitalization of the Chicago/Linden Neighborhood. This plan, though not funded with NSP3 funds, will



contribute to the overall mission of neighborhood stabilization and improvement.

Accomplishments Performance Measures

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

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		44/72	
# of Multifamily Units	0		44/72	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	44/72	0/0	44/72	100.00
# Renter Households	0	0	0	44/72	0/0	44/72	100.00

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:	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	Jul 1 thru Sep 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

	Jul 1 thru Sep 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	\$996.97	\$996.97
City of Riverside	\$996.97	\$996.97
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 and submitted a panel of recommended contractors to the Housing Authority Board. The Housing Authority Board approved the panel on August 19, 2012. Staff is also conducting a self-audit of hard copy, digital files and that information



submitted to DRGR.

>\$996.97 of admin expenses were incurred during the reporting period related to the rental and upkeep of the vehicle used solely for NSP purposes.

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	

