

FY 2010-2011 ACTION PLAN SUBSTANTIAL AMENDMENT

Neighborhood Stabilization Program 3 (NSP3)

Adopted February 22, 2011

***Amendment No. 1- March 22, 2011
Target Areas***

Amendment No. 2 - October 24, 2011

Low/Very-Low Set-Aside Budget Increase

Amendment No. 3 – February 29, 2012

Target Area Expanded

Amendment No. 4 – May 8, 2012

Low/Very-Low Set-Aside Budget Increase

***City of Riverside
Neighborhood Development Department
3900 Main Street
Riverside, California 92522***

**City of Riverside
Neighborhood Stabilization Program 3**

TABLE OF CONTENTS

Executive Summary	1
1. NSP3 Grantee Information	2
2. Areas of Greatest Need.....	2
Map Submission	2
Data Sources Used to Determine Areas of Greatest Need	2
Determination of Areas of Greatest Need and Applicable Tiers	2
3. Definitions and Descriptions.....	4
Definitions	4
Descriptions	5
4. Housing Market Conditions.....	7
5. Low Income targeting	7
Low-Income Set-Aside	7
Meeting Low-Income Target.....	8
6. Acquisition & Relocation.....	8
Demolition or Conversion of LMI Units	8
7. Public Comment	8
Citizen Participation Plan	8
8. NSP Information by Activity (Complete for each activity)..	9
Activity 1: Acquisition, Rehabilitation and Resale (NSP-1)	9
Activity 2: Acquisition, Rehabilitation and Rental (NSP-2)	11
Activity 3: Demolition Program (NSP-3)	12
Activity 4: Administration (NSP-4)	13
9. Certifications.....	15
Certifications for State and Entitlement Communities	15
Attachments	18
Attachment A: Map of Priority Areas/Planning Data.....	18
Attachment B: NSP Checklist.....	32
Attachment C: SF424.....	41
Attachment D: Public Comments.....	42

Executive Summary

The attached plan constitutes the City of Riverside's application for the use of its allocation of Neighborhood Stabilization Program 3 (NSP3) funds. The City of Riverside, like many cities nationwide, has been significantly impacted by the mortgage crisis. The U.S. Congress adopted the Dodd-Frank Wall Street Reform and Consumer Protection Act (HR 4173) appropriating \$1.0 billion to address foreclosed and/or abandoned housing units. The City of Riverside will receive \$3,202,152 of these funds, now known as the Neighborhood Stabilization Program 3 (NSP3) grant.

NSP3 funds may be used for the acquisition and rehabilitation of foreclosed, abandoned units; acquisition and demolition of foreclosed, abandoned units that are beyond reasonable repair and further allows for new construction on building sites acquired in this manner. These funds may also be used in financing mechanisms in down payment assistance programs. The grant also requires that 25% of these funds must be used to assist very low income households (households earning below 50% of the area median income). The balance of the NSP3 funds may be used to assist households earning up to 120% of Area Median Income. For a family of four in Riverside, that limit is \$78,000.

The units acquired may be sold or rented to income-eligible homebuyers at affordable rates, which means that for renters, the total housing costs do not exceed 30% of the household's monthly income, and for owners, the total housing costs do not exceed 35% of the household's monthly income.

Another requirement of NSP3 grant is that City must expend 50 percent of the grant within two (2) years and 100 percent of the grant within three (3) years. The expenditure clock begins upon approval of the City's NSP3 plan by the U.S. Department of Housing and Urban Development (HUD); however, if any NSP3 grantee does not submit a plan for approval to HUD prior to March 1, 2011, that grantee (city or county) will lose their grant and must apply to its state for access to these 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 at least 25% of the funds as required 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. Please refer to the maps attached in Attachment A.

1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Davis, Michelle
Email Address	mdavis@riversideca.gov
Phone Number	951 826-5743
Mailing Address	3900 Main Street Riverside, CA 92522

2. Areas of Greatest Need

Map Submission

Maps generated using HUD's NSP3 mapping tool are attached at the end of this document (see Attachment A) for reference purposes. Because some areas include non-contiguous block groups, some areas are featured on multiple maps.

Data Sources Used to Determine Areas of Greatest Need

Describe the data sources used to determine the areas of greatest need.

Response:

The City of Riverside examined several sources of data to determine the areas of greatest need. They include the following:

A website called Foreclosure Radar (www.foreclosureradar.com) which provides current data regarding Notices of Default, Notices of Sale, and Bank Owned properties. The Multiple Listing Service (MLS) covering the City of Riverside. HUD Census Block Group Risk Scores (indicating scores ranging from 17-20).

Staff believes that by identifying the highest clusters of current foreclosures, focusing on the older housing stock within an affordable price range and within the highest risk score for future foreclosures, that the NSP3 target area will be the exact areas in which the federal funds will best serve the community.

Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

Response:

The City of Riverside is the most populous city in the Riverside/San Bernardino/Ontario metropolitan statistical area (MSA, also known as the "Inland Empire"). Since the foreclosure crisis became newsworthy in summer of 2007, this MSA at one point was the fourth most impacted foreclosure area in the country. City staff has been tracking foreclosures for all jurisdictions in the Inland Empire since July 2007. The Inland Empire and the Riverside/San Bernardino/Ontario MSA are one and the same geographic area. There are two counties, Riverside and San Bernardino. Riverside County had 24 incorporated cities at the time of the 2000 Census and now has 27 incorporated cities (three cities have incorporated

recently); San Bernardino County also has 24 incorporated cities (also from the 2000 Census).

California is a non-judicial foreclosure state. The foreclosure process begins with a recorded Notice of Default (NOD), which is a public notification that the borrower has fallen behind in the monthly mortgage payments. If the default is not cured, or the loan renegotiated or replaced, the NOD is followed by a Notice of Trustee's Sale (NOTS) after a minimum of three months. The actual Trustee's Sale cannot occur less than 20 days after public notice. The Trustee's Sale is a public auction, at which anyone may place a bid, including the lender and any junior lien holders. The foreclosure process may be stopped if the default is cured 5 days in advance of the sale date. If no one bids, and the foreclosure process was not stopped, title (ownership) of the property reverts to the lender as REO property (Real Estate Owned). The typical foreclosure process takes at least 117 days in California.

The City's target areas for the NSP3 program were developed pursuant to HUD guidelines as described below:

- Greatest percentage of home foreclosure;
- Highest percentage of homes financed by a subprime mortgage related loan;
- Areas identified as the most likely to face a significant rise in the rate of home foreclosures; and
- The ability to impact at least 20% of the Real-Estate Owned foreclosures in the target area.

The City of Riverside has analyzed its needs in response to the housing crisis by identifying the census tract block groups in the city with income levels at or below 120% of the Area Median Income (AMI). For the purpose of this Amendment, the low, moderate, and middle-income area will be noted as "LMMI." This data was provided by the U.S. Department of Housing and Urban Development (HUD).

There are 197 census tract block groups (CTBG) in the City and 126 or 64 percent are qualified LMMI areas¹.

Further, the last four months of Notices of Default, Notices of Sale, and Bank Owned properties were plotted on a City of Riverside map. High concentrations of distressed properties were identified and prioritized against other data sources. Using the MLS, staff was able to plot all of the real estate sales of 2010, by the decade in which the home was built. For example, the map would indicate where all of the 1950's homes were built and sold last year. Staff was also able to use the MLS data to plot all of the sales of 2010 in certain price ranges. The MLS data helped to determine that the funds were going to older neighborhoods with appropriately priced homes.

Finally, Staff was able to examine the HUD Census Block Group Score map indicating a different color for each risk score. This map helped to focus the effort

¹ At least 51 percent of the residents in LMMI areas have incomes at or below 120 percent of the AMI.

of NSP3 boundaries to the highest risk score areas. Staff believes that by identifying the highest clusters of current foreclosures, focusing on the older housing stock within an affordable price range and within the highest risk score for future foreclosures, that the NSP3 target area will be the exact areas in which the federal funds will best serve the community.

Because the funding is limited, and the desire to achieve a significant impact is high, the City proposes to use a measured, yet flexible, approach, whereby the City is ranking specific target areas. Activities will be initiated in the target area with the highest priority (i.e. Target Area) and outcomes will be measured. Because the selected target area is small and the foreclosure inventory changes, there may be insufficient foreclosures to reach the proposed goals. If after four (4) months of program implementation, the City has exhausted all efforts to purchase foreclosed properties in the target area or has made a determination that there is insufficient inventory to meet the expenditure and numerical goals as established under this Substantial Amendment, the City may amend the eligible target area by adding an additional area (Amended Target Area 1) to the original target area. This would be done without the need to go through the City Council approval process since they have approved three (3) additional alternate project areas should the need arise. For the purpose of this paragraph, having insufficient inventory shall be achieved only after the City has looked at a minimum of 80% of all available REO's in the project area. The amending of the Target Area will require the approval of the Executive Director of the Housing Authority, or designee, in addition to the noticing of the amended area as required under the NSP3 Notice and notifying HUD of its proposed action via submittal of an updated Action Plan in the Disaster Recovery and Grant Reporting (DRGR) program. The target area is as follows:

Target Area:

Area 1 would include all or portions of Census Tracts 0305.03, 0314.01, 0314.02, and 0315.01 (see Attachment A - Target Area map). All of these Census Tracts feature an NSP3 need score of 17 or more.

Proposed Additional Target Areas 2 , 3 and 4: 0315.01, 0305.02, 0305.03, 0314.01, 0314.02, 0315.01, 0410.01, 0410.02, 0412.02, and 0412.03.

3. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	<p><u>Response:</u></p> <p>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.</p> <p>The California Health and Safety Code Section 33031</p>

	<p>describes physical conditions that cause blight related to structures as:</p> <ul style="list-style-type: none"> • 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.
Affordable Rents	<p><u>Response:</u></p> <p>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.</p>

Descriptions

Term	Definition
Long-Term Affordability	<p><u>Response:</u></p> <p>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.</p>
Housing Rehabilitation Standards	<p><u>Response:</u></p> <p>The NSP3 funds will use the City of Riverside’s standards from</p>

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 preexisting 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
Rental Housing Preference	<u>Response:</u> The City of Riverside is proposing to use a significant portion of its NSP3 allocation (minimum of 61%) for the acquisition and/or rehabilitation of multi-family properties. These properties will be used for long-term affordable rental housing units.
Vicinity Hiring Requirements	<u>Response:</u> 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.

4. Housing Market Conditions

Identify how the program design will address the local housing marking conditions.
<u>Response:</u> 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.

5. Low-Income Targeting

Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.
<u>Response:</u> Total low-income set-aside percentage (must be no less than 25 percent): 61% (\$1,936,582)

Total funds initially set aside for low-income individuals was a minimum of \$800,538.00, 25 percent of the NSP3 allocation. Pursuant to the 3rd Amendment of this plan, the amount is increased to \$1,600,000.00. The 4th Amendment to this plan sought to further increase this funding by \$336,582 for a total of \$1,936,582 (61%) of the original \$3,202,152 NSP3 funds set-aside for very-low income rental housing.

Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.

Response:

Target Area 1 includes the "Chicago/Linden Neighborhood", an approximately 44-square acre area, 80-individual parcels, within the larger Eastside Community of the City of Riverside. The Chicago/Linden area consists of a hodge-podge of apartment complexes of lower-quality, none of which are currently under affordable housing covenants with the exception of those owned by the Housing Authority of the City of Riverside. The units are in varying conditions. The concentration of units combined with lack of participation in the City's Crime Free Multi-Housing Program and lack of covenant properties has created a focused area of high crime and police calls, differed maintenance and overall blight.

The Housing Authority currently owns 72 apartment units, three of which were funded with a combination of Supportive Housing Program (SHP) and NSP1 funds. The City and Housing Authority have committed a significant capital investment into the area for revitalization.

NSP3 funds will be used to acquire, rehabilitate and rent additional units to very-low/low income households within this specific area.

6. Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	No
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If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	Original unit count: 0
The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	HUD determined original total unit count: 38 Updated total unit count: 43
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	Original unit count: 6 New unit count per 2 nd Amendment: 28 New unit count per 3 rd Amendment: 38

7. Public Comment

Citizen Participation Plan

Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.

Response:

The draft NSP Plan for the City of Riverside was initially made available for public comment on February 1, 2011 on the City’s website, and announced in the Riverside Press Enterprise newspaper. The joint Council/Redevelopment Agency/Housing Authority meeting is scheduled for February 22, 2011.

The plan’s target areas were amended (Amendment No. 1) on March 22, 2011. The amendment was made available for public comment on March 8, 2011 on the City’s website and notices on the Riverside Press Enterprise newspaper.

Amendment No. 3 provides for an increase in the acquisition, rehabilitation, rental

of multi-family property to serve households at or below 50% AMI. The amendment was noticed in the Riverside Press Enterprise newspaper and made available for public comment on September 30, 2011 for a period of 15 days and posted on the City’s Housing Division’s web-page as required.

Amendment No. 3 provides for an additional increase in the acquisition, and rental of multi-family property to serve households at or below 50% AMI. The amendment was noticed in the Press Enterprise newspaper and made available for public comment on May 1st. The comment period 30 days and posted on the City’s Housing Division’s web-page as required

Summary of Public Comments Received.

The summary of public comments received is included as attachment D.

8. NSP Information by Activity

The City will distribute NSP funds to the areas of greatest need, based on NSP3 scores. The selected sites have need scores above 17 and include those with the greatest percentage of home foreclosures, the highest percentage of homes financed by sub-prime mortgage loans, and those areas that have been identified by the City as likely to face a significant rise in the rate of home foreclosures. Accordingly, the City will meet the requirements set forth in Section 2301(c)(2) of HERA, as amended by the Recovery Act and the Dodd-Frank Act.

The City will ensure that 100% of NSP3 funds will be used to benefit individuals and households with incomes below 120% of area median income. In addition, at least 25% of NSP3 funds will be used to benefit individuals and households with incomes below 50% of the area median income. Most of the activities eligible under NSP3 represent a subset of the eligible activities under 42 U.S.C. 5305(a). Certain CDBG-eligible activities correlate to specific NSP-eligible uses and vice versa. The City will undertake the following NSP3 activities:

Activity Number 1	
Activity Name	Acquisition, Rehabilitation and Resale (ARR) Program (NSP1)
Uses	Select all that apply:
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/> Eligible Use C: Land Banking
	<input type="checkbox"/> Eligible Use D: Demolition
	<input type="checkbox"/> Eligible Use E: Redevelopment

CDBG Activity or Activities	CDBG – 24 CFR 570.201(a), acquisition, and (b) disposition, and 570.202, rehabilitation, and possibly 570.201(n) direct homeowner assistance (for the silent second loan).
National Objective	Low Moderate Middle Income Housing (LMMH)
Activity Description	<p>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 \times 12.5\% = \\$18,750$; $\\$18,750 + \\$25,000 = \\$43,750$).</p>
Location Description	The program activity has identified the areas noted in Section 2 (Areas of Greatest Need) of this document and further delineated in the map in Attachment A.

	Source of Funding	Dollar Amount
Budget	NSP3	Original amount: \$1,921,291.00 New amount per 2 nd Amendment: \$1,121,829.00 New amount per 3 rd Amendment: \$538,411.00
	(Other funding source)	\$
	(Other funding source)	\$
	Total Budget for Activity	Original amount: \$1,921,291.00 New amount per 2nd Amendment: \$1,121,829.00 New amount per 3rd Amendment \$538,411.00
Performance Measures	<p>This activity is acquisition/rehab/resale to first-time homebuyers. Performance will be measured by the number of affordable housing units made available. This activity is not anticipated to serve any households below 50% AMI. The initially anticipated number to be served is estimated at 38, of which it is anticipated that 6 would be between 51-80% AMI, and 32 would be between 81-120% AMI.</p> <p>Due to changing real-estate market conditions and the limited supply of appropriately located single-family residences and the availability of large multi-family apartment complexes within an identified area targeted by the City and Housing Authority for revitalization, the City processed Amendment 2 and 3 to the Plan. Amendments 2 and 3 increased funding for the provision of affordable housing to serve households between 51-80% AMI while decreasing the amount of funding available to serve households between 80-120% AMI.</p> <p>It was originally contemplated by the plan serve a total of 38 households with the NSP3 funds (32 moderate income and 6 low/very-low income). Due to the economic changes noted above, the City now anticipates serving 43 households total, 38 low/very-low households between 51-80% AMI and 5 moderate income households between 80-120% AMI</p>	
Projected Start Date	Within 90 days of HUD approval of the NSP3 Substantial Amendment to the One-Year Action Plan and execution of agreement.	

Projected End Date	March 1, 2014 (not inclusive of any extension of program due to program income received).	
Responsible Organization	Name	City of Riverside
	Location	3900 Main Street, 2 nd Fl. Riverside, CA 92522
	Administrator Contact Info	Michelle Davis Phone:(951)826-5743 mdavis@riversideca.gov

Activity Number 2		
Activity Name	Acquisition/Rehabilitation/Rental (NSP2)	
Use	Select all that apply:	
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/>	Eligible Use C: Land Banking
	<input type="checkbox"/>	Eligible Use D: Demolition
	<input type="checkbox"/>	Eligible Use E: Redevelopment
CDBG Activity or Activities	CDBG - 24 CFR 570.201(a), acquisition, and 570.202, rehabilitation.	
National Objective	Low-Income Housing to Meet 25% Set-Aside (LH25)	
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 this document and further delineated in the map in Attachment A.	
Budget	Source of Funding	Dollar Amount
	NSP3	Original amount: \$800,538.00 Amount per 2 nd Amendment: \$1,600,000.00 New Amount per 3 rd Amendment: \$2,183,418.00
	(Other funding source)	\$
	(Other funding source)	\$

Total Budget for Activity	<p>Original amount:\$800,538.00</p> <p>New amount per 2nd Amendment: \$1,600,000.00</p> <p>New Amount per 3rd Amendment: \$2,183,418.00</p>	
Performance Measures	<p>It was initially anticipated that 6 affordable housing units may be made available to families earning up to 50% AMI through this activity.</p> <p>Due to changing real-estate market conditions and the limited supply of appropriately located single-family residences and the availability of large multi-family apartment complexes within an identified area targeted by the City and Housing Authority for revitalization, the City processed Amendment 2 and 3 to the Plan. Amendments 2 and 3 increased funding for the provision of affordable housing to serve households between 51-80% AMI while decreasing the amount of funding available to serve households between 80-120% AMI.</p> <p>It was originally contemplated by the plan serve a total of 38 households with the NSP3 funds (32 moderate income and 6 low/very-low income). Due to the economic changes noted above, the City now anticipates serving 43 households total, 38 low/very-low households between 51-80% AMI and 5 moderate income households between 80-120% AMI</p>	
Projected Start Date	Within 90 days of HUD approval of the NSP3 Substantial Amendment to the One-Year Action Plan and execution of agreement.	
Projected End Date	March 1, 2014 (not inclusive of any extension of program due to program income received).	
Responsible Organization	Name	City of Riverside
	Location	3900 Main Street, 5 th Fl. Riverside, CA 92522
	Administrator Contact Info	Michelle Davis Phone:(951)826-5743 mdavis@riversideca.gov

Activity Number 3		
Activity Name	Acquisition/Demolition/Redevelopment (NSP-3)	
Use	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input checked="" type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment	
CDBG Activity or Activities	CDBG – 24 CFR 570.201(a), acquisition, (b), disposition, (d), Clearance, Demo, Remediate, and 570.202, housing.	
National Objective	Low Moderate Middle Income Housing (LMMH)	
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 this document and further delineated in the map in Attachment A.	
Budget	Source of Funding	Dollar Amount
	NSP3	\$160,108.00
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity		\$160,108.00
Performance Measures	It is initially anticipated that 2 affordable housing units may be ultimately made available to families earning up to 120% AMI through this activity after redevelopment of the site. No projection has been made of the income-level components to be served. It is anticipated that all persons served will earn between 51-120% AMI.	
Projected Start Date	Within 90 days of HUD approval of the NSP3 Substantial Amendment to the One-Year Action Plan and execution of agreement.	
Projected End Date	March 1, 2014 (not inclusive of any extension of program due to program income received).	

Responsible Organization	Name	City of Riverside
	Location	3900 Main Street, 2nd Fl. Riverside, CA 92522
	Administrator Info Contact	Michelle Davis Phone: (951)826-5743 mdavis@riversideca.gov

Activity Number 4	
Activity Name	Administration (NSP-4)
Use	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	CDBG – Grant Administration 24 CFR 570.489(a)(i)
National Objective	Administration is exempt from meeting a national objective
Activity Description	<p>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.</p> <p>Administration of NSP3 funds includes, but is not limited to, staffing costs to complete the following activities:</p> <ol style="list-style-type: none"> 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 10. Ensuring public participation
Location Description	The City of Riverside will be the lead entity, 3900 Main Street, Second Floor, Riverside, CA 92522

Budget	Source of Funding	Dollar Amount
	NSP3	\$320,000.00
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity		\$320,000.00
Performance Measures	Not applicable for administration.	
Projected Start Date	March 1, 2011	
Projected End Date	March 1, 2014 (not inclusive of any extension of program due to program income received).	
Responsible Organization	Name	City of Riverside
	Location	3900 Main Street, 5 th Fl. Riverside, CA 92522
	Administrator Contact Info	Michelle Davis Phone:(951)826-5743 mdavis@riversideca.gov

9. Certifications

Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.

(6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.

(7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]

(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

(11) **The jurisdiction certifies:**

- a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
- b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.

(16) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

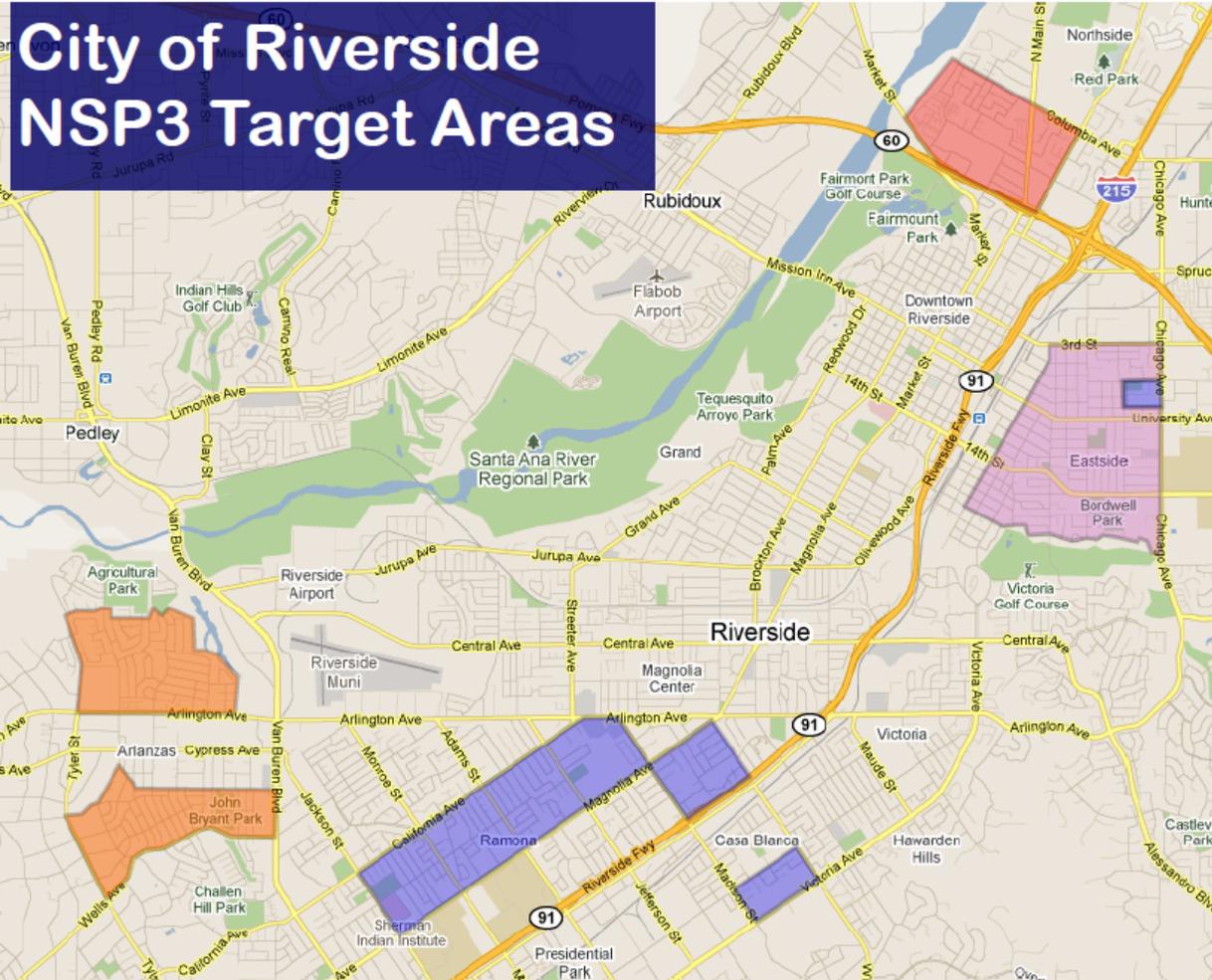
(17) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

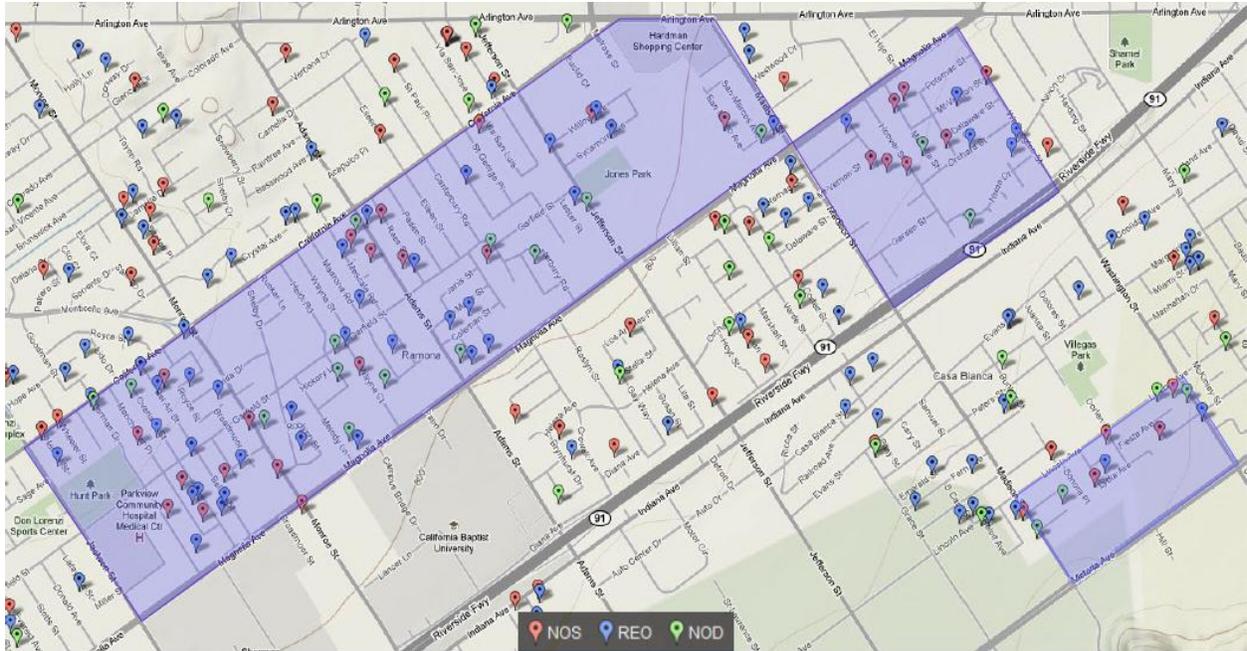
Signature/Authorized Official

Date

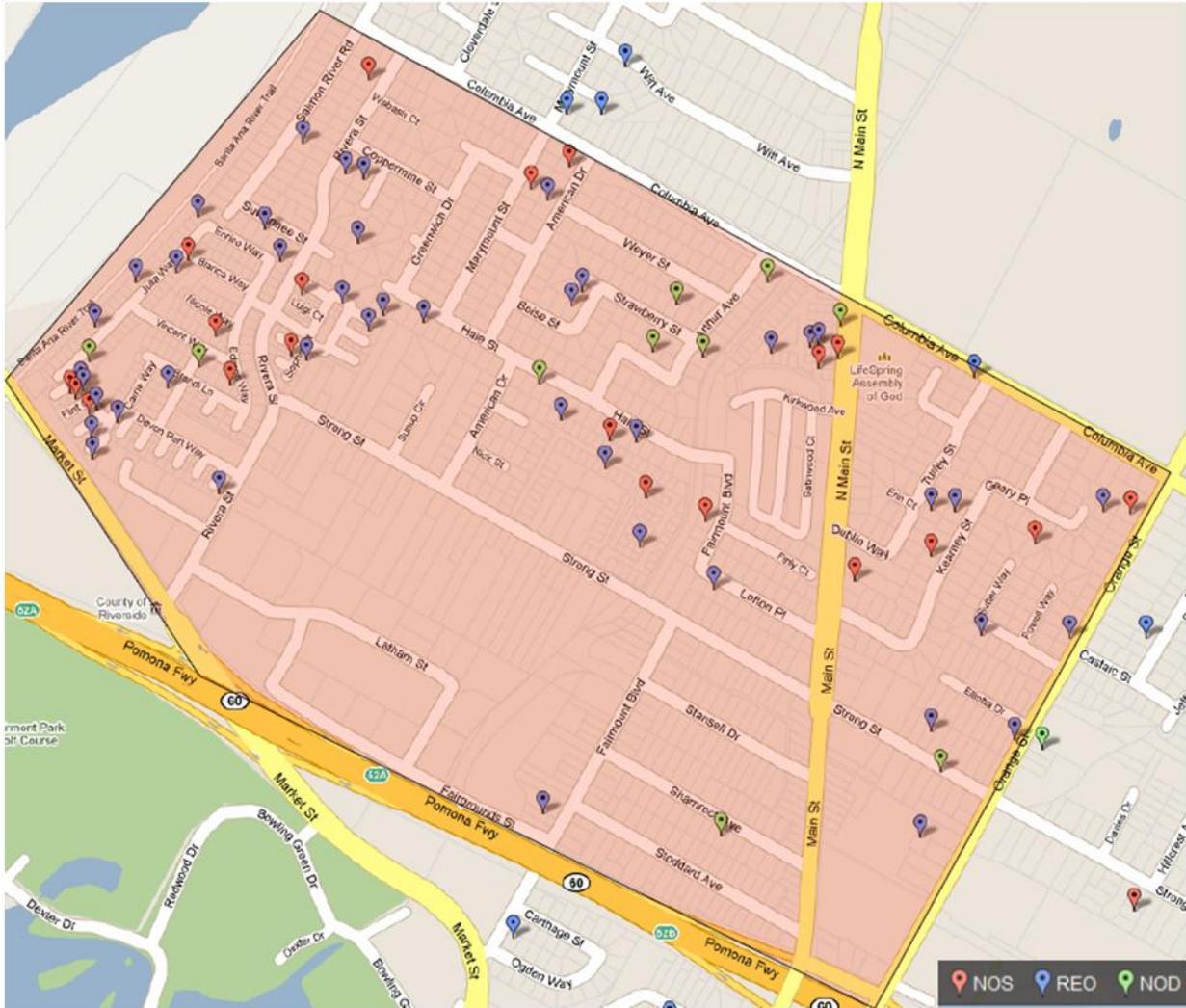
Title

Attachment A NSP3 Target Areas

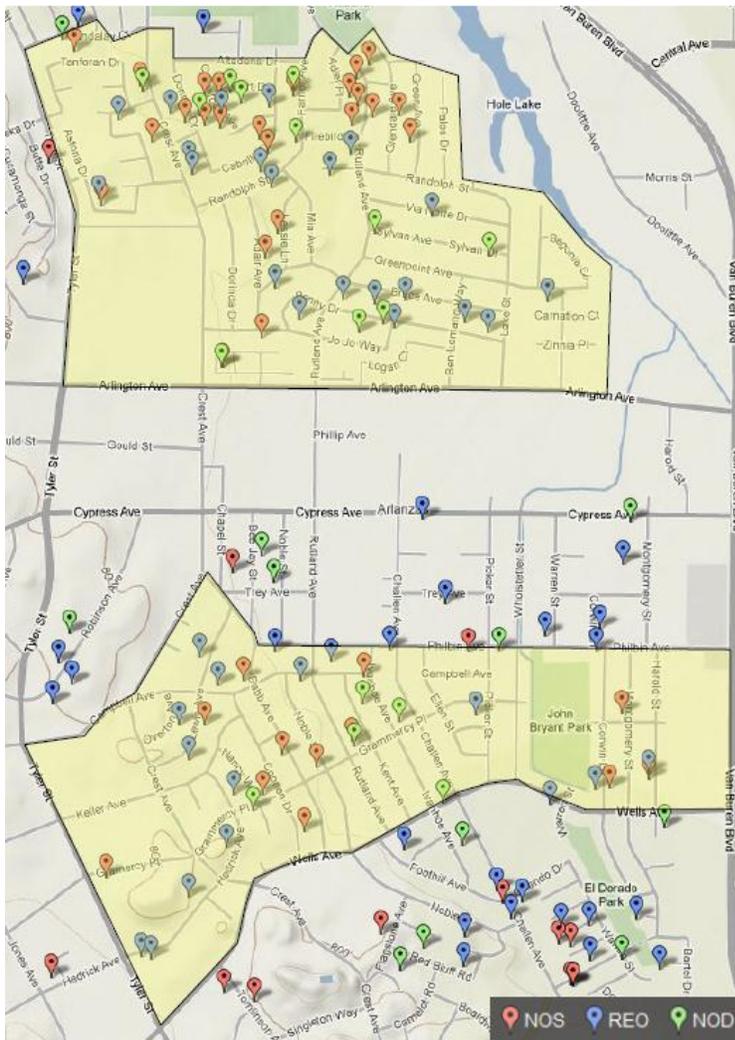




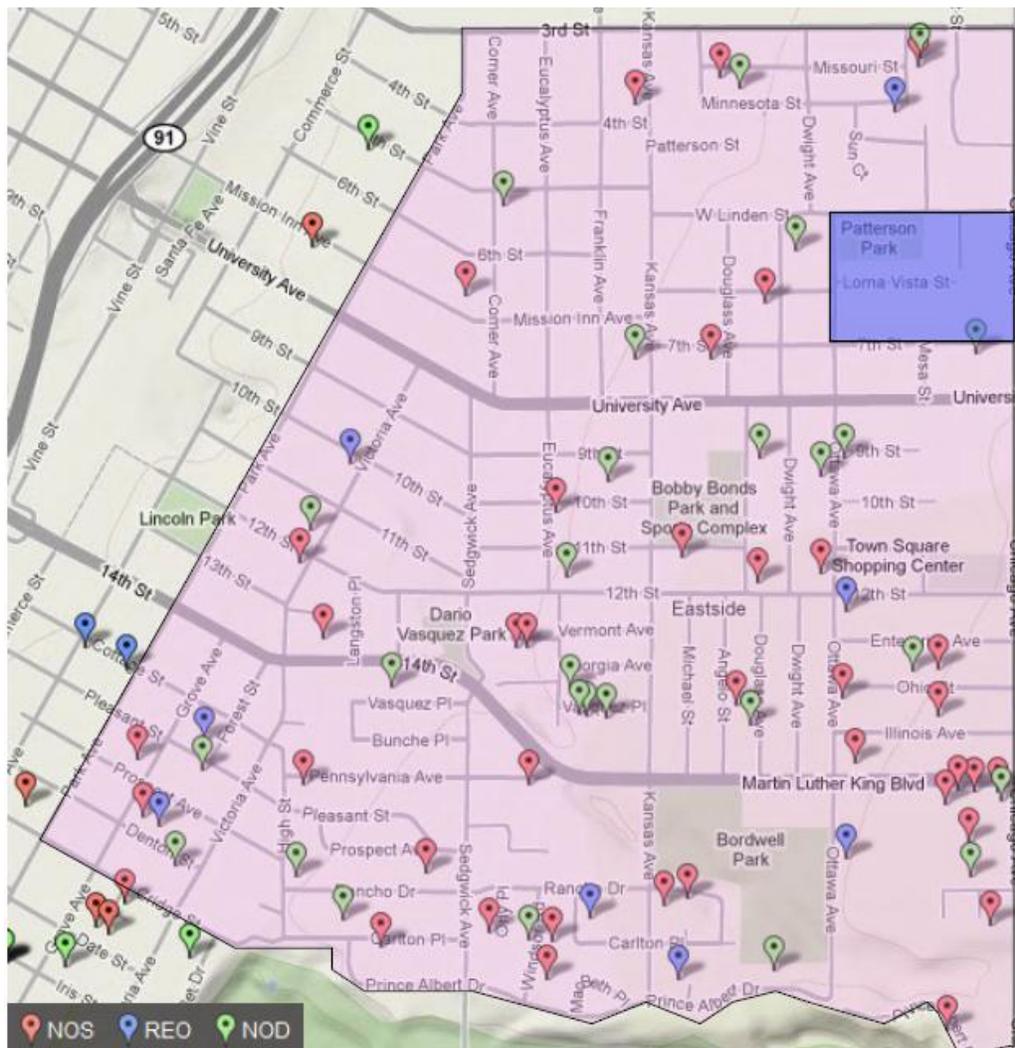
Target Area 1: Ramona, Casa Blanca and Magnolia Center Neighborhoods



Target Area 2: Northside Neighborhood



Target Area 3: Arlanza and La Sierra Acres Neighborhoods



Target Area 4: Eastside Neighborhood

Neighborhood ID: 3167053

NSP3 Planning Data

Grantee ID: 0630480E
Grantee State: CA
Grantee Name: RIVERSIDE
Grantee Address:
Grantee Email: adam@civicstone.com

Neighborhood Name: Riverside Phase 1A
Date:2011-01-17 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 20
State Minimum Threshold NSP3 Score: 17
Total Housing Units in Neighborhood: 466

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 98.7
Percent Persons Less than 80% AMI: 93.5

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 468
Residential Addresses Vacant 90 or more days (USPS, March 2010): 21
Residential Addresses NoStat (USPS, March 2010): 1

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 96
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 39.4
Percent of Housing Units 90 or more days delinquent or in foreclosure: 24.9
Number of Foreclosure Starts in past year: 12
Number of Housing Units Real Estate Owned July 2009 to June 2010: 7

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 2

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -44.3
Place (if place over 20,000) or county unemployment rate June 2005: 4.9
Place (if place over 20,000) or county unemployment rate June 2010: 14.1
Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-117.352846 33.979364 -117.352738 33.976748 -117.348511 33.976766 -117.348511 33.979328

Blocks Comprising Target Neighborhood
060650305033000, 060650305033001,

Neighborhood ID: 7549224

NSP3 Planning Data

Grantee ID: 0630480E
Grantee State: CA
Grantee Name: RIVERSIDE
Grantee Address:
Grantee Email: adam@civicstone.com

Neighborhood Name: Riverside 3
Date:2011-01-25 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 20
State Minimum Threshold NSP3 Score: 17
Total Housing Units in Neighborhood: 3600

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 71.43
Percent Persons Less than 80% AMI: 45.94

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 3509
Residential Addresses Vacant 90 or more days (USPS, March 2010): 79
Residential Addresses NoStat (USPS, March 2010): 85

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 1627

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 30.63

Percent of Housing Units 90 or more days delinquent or in foreclosure: 21.27

Number of Foreclosure Starts in past year: 166

Number of Housing Units Real Estate Owned July 2009 to June 2010: 94

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 33

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -44.3

Place (if place over 20,000) or county unemployment rate June 2005: 4.9

Place (if place over 20,000) or county unemployment rate June 2010: 14.1

Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-117.413163 33.946101 -117.409408 33.941437 -117.401984 33.945656 -117.397435 33.940049
-117.404816 33.935830 -117.409301 33.941206 -117.439127 33.924596 -117.444148 33.930809
-117.417262 33.946083

Blocks Comprising Target Neighborhood

060650314011009, 060650314011008, 060650314012000, 060650314012001, 060650314012003,
060650314012005, 060650314012008, 060650314012007, 060650314012006, 060650314012004,
060650314012002, 060650314013000, 060650314013007, 060650314013006, 060650314013005,
060650314013001, 060650314021004, 060650314021007, 060650314021006, 060650314021005,
060650314022000, 060650314022005, 060650314022004, 060650314022003, 060650314022001,
060650314022002, 060650314023000, 060650314023002, 060650314023004, 060650314023007,
060650314023006, 060650314023005, 060650314023003, 060650314023001, 060650315011000,
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060650315013000, 060650315013007, 060650315013006, 060650315013005, 060650315013004,
060650315013003, 060650315013001, 060650315013002, 060650315014000, 060650315014006,
060650315014005, 060650315014004, 060650315014003, 060650315014001, 060650315014002,

Neighborhood ID: 2966003

NSP3 Planning Data

Grantee ID: 0630480E
Grantee State: CA
Grantee Name: RIVERSIDE
Grantee Address:
Grantee Email: adam@civicstone.com

Neighborhood Name: Riverside Vic/Mad
Date:2011-01-25 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 19
State Minimum Threshold NSP3 Score: 17
Total Housing Units in Neighborhood: 193

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 81.9
Percent Persons Less than 80% AMI: 66

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 207
Residential Addresses Vacant 90 or more days (USPS, March 2010): 3
Residential Addresses NoStat (USPS, March 2010): 2

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 115

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 22.7

Percent of Housing Units 90 or more days delinquent or in foreclosure: 17.4

Number of Foreclosure Starts in past year: 10

Number of Housing Units Real Estate Owned July 2009 to June 2010: 5

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 2

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -44.3

Place (if place over 20,000) or county unemployment rate June 2005: 4.9

Place (if place over 20,000) or county unemployment rate June 2010: 14.1

Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-117.391813 33.933266 -117.399280 33.929011 -117.396619 33.925842 -117.389238 33.930097

Blocks Comprising Target Neighborhood

060650317011000, 060650317011001, 060650317011002, 060650317011003,

Attachment "B"
NSP 3 Substantial Amendments/Abbreviated Plan Checklist

Jurisdiction: City of Riverside

Lead Agency: City of Riverside, Development Department

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

NSP Contact Person: Michelle Davis

Address: 3900 Main Street, Riverside, CA 92522

Telephone: (951)826-5743

Fax: (951) 826-5744

Email: mdavis@riversideca.gov

The required elements in the substantial amendment/abbreviated action plan are:

A. Areas of Greatest Need

Does the submission identify a neighborhood or neighborhoods as being areas of greatest need with an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the 20th percentile most needy score in an individual state? See <http://www.hud.gov/nsp> for minimum thresholds.

Yes No

Verification found on page: 2, 3, and 4

Comments:

B. Distribution and Use of Funds

Does the submission contain a narrative describing how the distribution and uses of the grantee's NSP3 funds will meet the requirements of Section 2301(c)(2) of HERA, as amended by the Recovery Act and the Dodd-Frank Act, that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes No

Verification found on page: 2, 3, and 8

Note: The grantee's narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Comments:

C. Definitions and Descriptions

For the purposes of the NSP3, do the narratives include:

- a definition of "blighted structure" in the context of state or local law
Yes No Verification found on page: 4

- a definition of "affordable rents"
Yes No Verification found on page: 4

- a description of how the grantee will ensure continued affordability for NSP3 assisted housing
Yes No Verification found on page: 5

- a description of housing rehabilitation standards that provide for improvements to increase energy efficiency or conservation of such homes and properties or to provide for a renewable energy source or sources on homes or properties that will apply to NSP3-assisted activities (including applicable Energy Star requirements)
Yes No Verification found on page: 5

- a description of how the grantee will comply with rental housing preference
Yes No Verification found on page: 6

- a description of how the grantee will meet the vicinity hiring requirement
Yes No Verification found on page: 6

Comments:

D. Housing Market Conditions

Does the action plan narrative should specifically address how the grantee's program design will address the local housing market conditions?

Yes No

Verification found on page: 7

Comments:

E. Information By Activity

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP3?
Yes No Verification found on page: 9, 11, 12 and 13
- correlated eligible activity under CDBG?
Yes No Verification found on page: 10, 11, 12 and 13
- the areas of greatest need addressed by the activity or activities?
Yes No Verification found on page: 10, 11, 12 and 14
- expected benefit to income-qualified persons or households or areas?
Yes No Verification found on page: 10, 11, 12, and 13
- appropriate performance measures for the activity?
Yes No Verification found on page: 11, 12, 13, and 17
- amount of funds budgeted for the activity?
Yes No Verification found on page: 10, 11, 12 and 14
- the name, location and contact information for the entity that will carry out the activity
Yes No Verification found on page: 11, 12, 13 and 14

- expected start and end dates of the activity?
Yes No Verification found on page: 11, 12, 13 and 14

- how the grantee shall, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of such project, including information on existing local ordinances that address these requirements?
Yes No Verification found on page: 6

- the procedures used to create preferences for the development of affordable rental housing developed with NSP3 funds?
Yes No Verification found on page: 6

Comments:

F. Specific Activity Requirements

Does each activity narrative describe the general terms under which assistance will be provided, including:

If the activity provides financing,

- the range of interest rates (if any)
Yes No Verification found on page: Not Applicable

If the activity provides housing,

- duration or term of assistance?
Yes No Verification found on page: 10

- tenure of beneficiaries (e.g., rental or homeownership)?
Yes No Verification found on page: 10

- does it ensure continued affordability?
Yes No Verification found on page: 10

- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No Verification found on page: 11 and 12

Comments:

G. Low-Income Targeting

Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50% of area median income?

Yes No Verification found on page: 7

Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used for housing individuals or families whose incomes do not exceed 50% of area median income?

Yes No Verification found on page: 7

Amount budgeted: \$800,538

Comments:

H. Demolition or Conversion of Low- And Moderate-Income Units

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes No Verification found on page: 8

Does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income— reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?

Yes No

Verification found on page: 8

- The number of NSP3 affordable housing units made available to low-, moderate-, and middle- income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP3 activity providing such housing (including a proposed time schedule for commencement and completion)?

Yes No

Verification found on page: 11

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?

Yes No

Verification found on page: 11

Comments:

I. Public Comment Period

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes No

Verification found on page: 8

Is there a summary of citizen comments included in the final amendment?

Yes No

Verification found on page: 8

J. Website Publication

The following documents are available on the grantee's website:

- Proposed NSP3 Substantial Amendment Yes No
- Final NSP3 Substantial Amendment Yes No
- Subsequent NSP3 Amendments Yes No

Website URL:

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

K. SF424

Does the application contain the SF424 form?

Yes No

L. Certifications

(Note: Make sure grantee signs the correct certifications; non-entitlement local governments have to sign a different set of certifications)

Certifications for Entitlement Communities and States:

The following certifications are complete and accurate:

- | | | |
|---|---|-----------------------------|
| (1) Affirmatively Furthering Fair Housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-Displacement and Relocation Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Anti-Lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Authority of Jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Consistency with Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Acquisition and Relocation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Citizen Participation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Following a Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use of Funds | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) a. Use NSP Funds \leq 120 of AMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| b. No Recovery of Capital Costs through Special Assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with Anti-Discrimination Laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with Lead-Based Paint Procedures | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with Laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

M. Certifications for Non-Entitlement Communities:

The following certifications are complete and accurate:

This section is Not Applicable to the City of Riverside.

- (1) Affirmatively Furthering Fair Housing Yes No N/A
- (2) Anti-Displacement and Relocation Plan Yes No N/A
- (3) Anti-Lobbying Yes No N/A
- (4) Authority of Jurisdiction Yes No N/A
- (5) Consistency with Plan Yes No N/A
- (6) Acquisition and Relocation Yes No N/A
- (7) Section 3 Yes No N/A
- (8) Citizen Participation Yes No N/A
- (9) Use of Funds Yes No N/A
- (10) a. Use NSP Funds ≤ 120 of AMI Yes No N/A
b. No Recovery of Capital Costs through Special Assessments Yes No N/A
- (11) Excessive Force Yes No N/A
- (12) Compliance with Anti-Discrimination Laws Yes No N/A
- (13) Compliance with Lead-Based Paint Procedures Yes No N/A
- (14) Compliance with Laws Yes No N/A

N. Substantially Complete

Is the amendment substantially incomplete?

Yes No

If the amendment is substantially incomplete, set for the basis of that determination by using the following as a guide:

- The amendment was developed without the requires citizen participation.
- The amendment fails to satisfy all of the required elements in the Notice.

Comments:

Recommended for approval

Recommended for disapproval

Date amendment disapproved (in part or in its entirety): [Click here to enter a date.](#)

Note: Written notification of disapproval must be communicated to the applicant in accordance with 24 CFR 91.500(c). If disapproved, provide documentation, including dates and times on incompleteness determination and discussions with grantee and headquarters.

Reviewed by: [Click here to enter text.](#)

Date: [Click here to enter a date.](#)

Program Manager: [Click here to enter text.](#)

Date: [Click here to enter a date.](#)

CPD Director: [Click here to enter text.](#)

Date: [Click here to enter a date.](#)

Attachment "C" SF424 Form

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED February 27, 2011		Applicant Identifier CA63048 Riverside	
		3. DATE RECEIVED BY STATE		State Application Identifier	
<input type="checkbox"/> Pre-application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		4. DATE RECEIVED BY FEDERAL AGENCY		Federal Identifier B-00-MN-06-0571	
5. APPLICANT INFORMATION					
Legal Name: City of Riverside			Organizational Unit: Department: Development Department		
Organizational DUNS: Duns No. 040502114			Division: Housing and Neighborhoods		
Address: Street: 3900 Main Street, Fifth Floor City: Riverside County: Riverside			Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: Ms.		
State: CA			First Name: Eva		
Zip Code 92522			Middle Name		
Country: United States			Last Name Yakutis		
Email: eyak@riversideca.gov			Suffix:		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 9 5 - 6 0 0 0 7 6 9			Phone Number (give area code) (951) 826-5191		Fax Number (give area code) (951) 826-2233
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.)			7. TYPE OF APPLICANT: (See back of form for Application Types) C. Municipal Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Neighborhood Stabilization Program			9. NAME OF FEDERAL AGENCY: Housing and Urban Development - CPD Division		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): City of Riverside, California			11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: City of Riverside Neighborhood Stabilization Program 3		
13. PROPOSED PROJECT Start Date: March 1, 2011			14. CONGRESSIONAL DISTRICTS OF: a. Applicant CA 44		
Ending Date: February 28, 2014			b. Project CA 44		
15. ESTIMATED FUNDING:			16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal	\$	3,202,152 ⁰⁰	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:		
b. Applicant	\$	.⁰⁰	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
c. State	\$	.⁰⁰	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
d. Local	\$	.⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
e. Other	\$	.⁰⁰	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
f. Program Income	\$	.⁰⁰	18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.		
g. TOTAL	\$	3,202,152 ⁰⁰	a. Authorized Representative		
Prefix Mr.		First Name		Middle Name	
Last Name		Suffix		b. Title Development Department Director	
d. Signature of Authorized Representative		c. Telephone Number (give area code) (951) 826-5649		e. Date Signed 2/27/2011	

Previous Edition Usable
Authorized for Local Reproduction

Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

Reset Form

Attachment "D"

Public Comments

Initial Plan Adoption:

The following public comments were received prior to the public hearing:

No comments were received.

The following public comments were received at the public hearing:

No comments were received.

Amendment 1 (March 22, 2011)

The following public comments were received during the comment period:

No comments were received.

Amendment 2 (October 24, 2011)

The following public comments were received during the comment period:

No comments were received.

Amendment 3 (February 29, 2012)

The following comments were received during the comment period:

No comments were received.

Amendment 4 (May 8, 2012)

The following comments were received during the comment period:

No comments were received.