

Grantee: Perris, CA

Grant: B-11-MN-06-0525

January 1, 2014 thru March 31, 2014 Performance Report



Grant Number:

B-11-MN-06-0525

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

Perris, CA

Contract End Date:**Review by HUD:**

Reviewed and Approved

Grant Award Amount:

\$1,342,449.00

Grant Status:

Active

QPR Contact:

Sabrina Chavez

LOCCS Authorized Amount:

\$1,342,449.00

Estimated PI/RL Funds:

\$938,608.85

Total Budget:

\$2,281,057.85

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

Total low-income set-aside percentage (25 percent): 25.00%

Total funds set aside for low-income individuals = \$335,613.00

For new construction the City of Perris will restrict a minimum of 25% for individuals or families with an income level at or below 50% of AMI.

The City will record Affordability Covenants against the property to insure the property maintains the Low-Income level restriction over a given affordability period. For Down Payment assistance the City will reserve 25% of the total monies set aside for this program toward home buyers at or below the 50%AMI level. As part of the loan documents completed with each transaction, the City will record affordability covenants against each property to ensure the affordability is maintained.

There are currently no activities planned to develop rental housing. However, if the opportunity for the development of rental housing becomes available, the City of Perris will ensure that units are reserved specifically for tenants at or below 50% AMI in order to meet the 25% set aside requirement.

How Fund Use Addresses Market Conditions:

The City of Perris utilized a number of resources/tools to determine the area(s) of greatest need and impact. The primary tool utilized was the NSP mapping tool located at <http://www.huduser.org/nsp/nsp3.html>. In addition to this tool the City has also contacted the following real estate professionals to discuss market conditions and available inventory:

* Ashley Kroencke Real Estate - Eric Kroencke, Real Estate Professional

* QMG Real Estate - Scott Larson, Real Estate Professional

* Marcus & Millichap - Reza Ghaffari, First Vice President Investments

* National Community Stabilization Trust - Adam Eliason, President Civic Stone

The City of Perris utilized the expertise of two local real estate companies, one in particular which has specialized in the City of Perris market for over 10-years. Ashley Kroencke Real Estate has operated in the City of Perris since 1995 and has been a key contributor to the City's Foreclosed Homeownership Program (FHP). In 2009 The Perris City Council approved the use of Redevelopment Agency set-aside funds to purchase foreclosed single family homes in Perris, rehabilitate and resell these homes to income qualified first time home buyers. To date the City has completed 25 homes and currently owns 1 property still under construction or being marketed for re-sale. Ashley Kroencke real estate has provided the City of Perris with resale and comparable sales reporting data on single family homes sales over the past two years.

The City has worked closely with this group to establish purchase price guidelines and evaluate the sales prices for homes completed in the FHP Program.

The City of Perris also utilized data within the Perris Downtown Specific Plan to help identify target areas which could be cross referenced to target areas established using HUD's NSP mapping tool. Finally the City compiled data on the over 200 down payment assistance loans the City of Perris has issued over the past 2 1/2 years to determine which areas within the City had foreclosed homes purchased by first-time home buyers. This data was cross-referenced with the data provided from the HUD mapping tool.

The City will distribute funds in targeted Census tracts/Block groups as identified on the map generated using the HUD NSP3 mapping tool.

Funds will be distributed for the following eligible uses:

1. Financing Mechanisms
2. Purchase and rehabilitation of residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties
3. Demolition of blighted structures



4. Redevelop demolished or vacant properties

5. Land Banks

6. Administration and Planning

Funds in an amount not to exceed 10% of the total grant amount, plus 10% of program income will be used for Program Planning/Administration.

Ensuring Continued Affordability:

Long-Term Affordability

The City will enter into long term NSP Regulatory Agreements recorded against each property to ensure long-term affordability for a minimum term of 15 years for all NSP activities.

Definition of Blighted Structure:

Blighted Structure

The City of Perris will rely upon California Health and Safety Code Sections 33030 and 33031 <http://www.leginfo.ca.gov/cgi-bin/displaycode?section=hsc&group=33001-34000&file=33030-33039>. The City of Perris defines a "substandard conditions/property and unsafe building/structure" in order to determine "blight." A "blighted structure" will include, but is not limited to, the following:

- * A building in which it is unsafe or unhealthy for persons to live - for instance, if there are serious building code violations; if the structure is severely dilapidated or deteriorated; or if the building suffers from serious neglect;
- * A building which suffers from substandard, defective design or construction given the current development standards;
- * A building that has hazardous waste within;
- * A building which is vacant and abandoned;
- * A building in need of extensive rehabilitation;
- * A building susceptible to collapse from seismic hazards; and,
- * A building in such a state as to cause serious public safety concerns.

Definition of Affordable Rents:

Affordable Rents

The City will ensure that 100% of NSP funds will be used to benefit individuals and households with incomes below 120% of the area median income (AMI). The City is using the maximum rent limits allowed for affordable units in accordance with Section 92.252 of HUD's HOME Program Regulations for households at or below 80% of the AMI. The HUD fair market rent limits will be used for households with incomes between 81% and 120% of AMI. In addition, at least 25% of the NSP funds will be used to benefit individuals and households with incomes below 50% of the AMI.

Housing Rehabilitation/New Construction Standards:

Housing Rehabilitation Standards

At a minimum, NSP grantees must follow the adopted California Green Building Code available for preview at http://www.documents.dgs.ca.gov/bsc/CALGreen/2010_CA_Green_Bldg.pdf. All City of Perris Housing Rehabilitation programs follow these standards and specifications. In addition, developers/contractors participating in the City of Perris NSP Programs will follow the standards listed below:

- * All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard of Energy Star Qualified New Homes.
- * All gut rehabilitation or new construction of mid- or high-rise multi-family housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90. 1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy).
- * Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.
- * Water efficient toilets, showers, and faucets, such as those with the Water Sense label, must be installed.
- * Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, and fires).
- * When applicable and/or cost feasible, the City of Perris requires the NSP grantees to adopt the energy efficient and environmentally-friendly green elements as part of NSP3 program design. Attachment C to the NSP3 Notices describes in more detail how energy efficient and environmentally-friendly green elements can be incorporated and additional tools on incorporating green rehabilitation standards can be found on the NSP Resources Exchange at www.hud.gov/nspta and <http://www.federalregister.gov/articles/2010/10/19/2010-26292/notice-of-formula-allocations-and-program-requirements-for-neighborhood-stabilization-program#h-84>.



Vicinity Hiring:

The City of Perris will consult with the Riverside County GAIN program office to advertise any training or employment opportunities from NSP3 activities.

Procedures for Preferences for Affordable Rental Dev.:

For new construction of a multi-family affordable development the City of Perris will restrict a minimum of 25% of the units for individuals or families with an income level at or below 50% of AMI. The City will record Affordability Covenants against the property to insure the property maintains the Low-Income level restriction over a given affordability period.

Grantee Contact Information:

NSP3 Program Administrator Contact Information
Name (Last, First): Madkin, Darren
Email Address: Dmadkin@cityofperris.org
Phone Number: 951-943-6100
Mailing Address: 101 N. D Street, Perris CA 92570

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,281,057.85
Total Budget	\$0.00	\$2,281,057.85
Total Obligated	\$0.00	\$2,281,057.85
Total Funds Drawdown	\$19,305.77	\$1,342,680.33
Program Funds Drawdown	\$0.00	\$1,265,600.56
Program Income Drawdown	\$19,305.77	\$77,079.77
Program Income Received	\$0.00	\$305,403.85
Total Funds Expended	(\$401,974.76)	\$1,342,706.28
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	\$201,367.35	\$0.00
Limit on Admin/Planning	\$134,244.90	\$123,297.42
Limit on State Admin	\$0.00	\$123,297.42

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$134,244.90	\$134,244.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$335,612.25	\$1,158,205.00



Overall Progress Narrative:

During the reporting period of January 1 through March 30, 2014, there were no expenditures incurred at this time. Staff is in discussion of a potential project, utilizing program income. At this time, there is no project activity to report in this quarterly report.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP-068-170, Financing Mechanism	\$0.00	\$57,774.00	\$0.00
NSP-7101, NSP3 Administration	\$0.00	\$134,244.00	\$103,991.65
NSP-H001, Redevelopment	\$0.00	\$2,089,039.85	\$1,161,608.91
NSP-H002, Acquisition and Rehabilitation	\$0.00	\$0.00	\$0.00



Activities

Project # / Title: NSP-068-170 / Financing Mechanism

Grantee Activity Number: 068170-LH25
Activity Title: Homebuyer Assistance for Foreclosed Home Purchases

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

NSP-068-170

Projected Start Date:

05/15/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Financing Mechanism

Projected End Date:

03/02/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Perris

Overall	Jan 1 thru Mar 31, 2014	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 Perris	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The purpose of the NSP-3 Homeownership Assistance program is to enable very low income households to purchase foreclosed single family homes within the target areas of Perris. Under this program the City would provide an affordability gap silent second mortgage to assist in the acquisition of a foreclosed single family home within Perris. The gap financing amount would be the difference between the first mortgage amount and the acquisition cost of the foreclosed home. Loans of up to \$25,000 would be made with a lien recorded to ensure the property is not sold, refinanced or rented during the affordability period. The loan will have a zero percent (0%) interest rate, with all payments deferred until the home is sold, refinanced with cash out, or if a significant change in ownership occurs. The program would be geographically focused on the City's areas of greatest need. Based on the data accumulated through the 200+ down payment assistance loans the City of Perris has issued over the past 2 ½ years, staff was able to identify areas within the City which have assisted first-time homebuyers purchase foreclosed homes and target those areas using the HUD mapping tool. The result is two NSP target areas which have produced the largest number of foreclosed homes purchased by first-time homebuyers. This activity will provide at least one (1) down payment assistance loan to be issued to homebuyers at or below 50% AMI towards



meeting the LH25% requirement.

Location Description:

Project name: Perris Downtown
 Block groups:060659245056700042800U1; 060659245056700042800U2; 060659245056700042800U3
 Total neighborhood Housing units: 1198
 Neighborhood NSP3 Score: 20.00
 State Minimum threshold NSP3 score: 17

Project name: Perris South Downtown
 Block groups:060659245056700042901U1; 060659245056700042800U2; 060659245056700042800U3
 Total neighborhood Housing units: 1301
 Neighborhood NSP3 Score: 20.00
 State Minimum threshold NSP3 score: 17

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/1
# of Singlefamily Units	0	0/1

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	0/0	0/1	0
# Owner Households	0	0	0	0/0	0/0	0/1	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:	068170-LMMI
Activity Title:	Homebuyer Assistance for Foreclosed Home Purchases

Activity Category:
Homeownership Assistance to low- and moderate-income

Activity Status:
Under Way

Project Number:
NSP-068-170

Project Title:
Financing Mechanism

Projected Start Date:
05/15/2011

Projected End Date:
03/02/2014

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Perris

Overall	Jan 1 thru Mar 31, 2014	To Date
Total Projected Budget from All Sources	N/A	\$57,774.00
Total Budget	\$0.00	\$57,774.00
Total Obligated	\$0.00	\$57,774.00
Total Funds Drawdown	\$0.00	\$57,774.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$57,774.00
Program Income Received	\$0.00	\$57,774.00
Total Funds Expended	\$0.00	\$57,774.00
City of Perris	\$0.00	\$57,774.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The purpose of the NSP-3 Homeownership Assistance program is to enable low-, moderate- and middle income households to purchase foreclosed single family homes within the target areas of Perris. Under this program the City would provide an affordability gap silent second mortgage to assist in the acquisition of a foreclosed single family home within Perris. The gap financing amount would be the difference between the first mortgage amount and the acquisition cost of the foreclosed home. Loans of up to \$25,000 would be made with a lien recorded to ensure the property is not sold, refinanced or rented during the affordability period. The loan will have a zero percent (0%) interest rate, with all payments deferred until the home is sold, refinanced with cash out, or if a significant change in ownership occurs. The program would be geographically focused on the City's areas of greatest need. Based on the data accumulated through the 200+ down payment assistance loans the City of Perris has issued over the past 2 ½ years, staff was able to identify areas within the City which have assisted first-time homebuyers purchase foreclosed homes and target those areas using the HUD mapping tool. The result is two NSP target areas which have produced the largest number of foreclosed homes purchased by first-time homebuyers.

Location Description:

Project name: Perris Downtown
 Block groups: 060659245056700042800U1; 060659245056700042800U2; 060659245056700042800U3;
 Total neighborhood Housing units: 1198
 Neighborhood NSP3 Score: 20.00
 State minimum threshold NSP3 Score: 17



Project name: Perris South Downtown
 Block groups
 060659245056700042800U2, 060659245056700042800U3, 060659245056700042901U1

Total neighborhood Housing units: 1301
 Neighborhood NSP3 Score: 20.00
 State minimum threshold NSP3 Score: 17

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	1/2
# of Singlefamily Units	0	1/2

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	1/0	1/2	100.00
# Owner Households	0	0	0	0/0	1/0	1/2	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	

Project # / Title: NSP-7101 / NSP3 Administration

Grantee Activity Number: NSP-7101
Activity Title: NSP3 Administration

Activity Category: Administration
Activity Status: Under Way
Project Number: NSP-7101
Project Title: NSP3 Administration



Projected Start Date:

05/15/2011

Projected End Date:

03/02/2014

Benefit Type:

()

Completed Activity Actual End Date:**National Objective:**

N/A

Responsible Organization:

City of Perris

Overall**Total Projected Budget from All Sources****Jan 1 thru Mar 31, 2014**

N/A

To Date

\$134,244.00

Total Budget

\$0.00

\$134,244.00

Total Obligated

\$0.00

\$134,244.00

Total Funds Drawdown

\$19,305.77

\$123,297.42

Program Funds Drawdown

\$0.00

\$103,991.65

Program Income Drawdown

\$19,305.77

\$19,305.77

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$123,323.37

City of Perris

\$0.00

\$123,323.37

Match Contributed

\$0.00

\$0.00

Activity Description:

This activity is for grant administration of the NSP3 funds.

Location Description:

N/A

Activity Progress Narrative:**Accomplishments Performance Measures****No Accomplishments Performance Measures**

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

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

Project # / Title: NSP-H001 / Redevelopment

Grantee Activity Number: H001170-LH25

Activity Title: Single Family New Construction-LH25

Activity Category:

Construction of new housing

Project Number:

NSP-H001

Projected Start Date:

05/15/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Redevelopment

Projected End Date:

03/02/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Perris

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2014

N/A

To Date

\$1,158,205.00

Total Budget

\$0.00

\$1,158,205.00

Total Obligated

\$0.00

\$1,158,205.00

Total Funds Drawdown

\$0.00

\$511,431.77

Program Funds Drawdown

\$0.00

\$511,431.77

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

(\$401,974.76)

\$511,431.77

City of Perris

(\$401,974.76)

\$511,431.77



Match Contributed

\$0.00

\$0.00

Activity Description:

The purpose of the NSP3 Single Family New Construction project is to partner with a local qualified non profit housing developer to construct single family homes in the Perris Downtown target area on vacant parcels of land. The City of Perris will seek to partner with a non-profit developer in order to maximize the opportunity for donations to new construction projects on items such as: building materials, landscaping, energy efficient fixtures, and labor. The City of Perris will require the developer to acquire a vacant parcel, located within the downtown target areas for use on this project. Once the home construction is completed, it will be sold by the developer to a first time homebuyer with an income level at or below 50% AMI. An affordability covenant will be placed on the property to ensure the property stays affordable for a minimum of 15 years. After construction is completed if the Developer cannot sell the units produced; the City may exercise the option to rent the units using the HUD fair market rent limits for households with incomes below 50% of AMI.

Location Description:

Project Name: Perris Downtown
Block Groups:060659245056700042800U1;060659245056700042800U2;
060659245056700042800U3
Total Neighborhood Housing Units: 1198
Neighborhood NSP3 Score: 20.00
State Minimum Threshold NSP3 Score: 17

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
#Units with solar panels	0	0/0
#Low flow toilets	0	2/2
#Low flow showerheads	0	2/2
#Units with bus/rail access	0	2/2
#Units exceeding Energy Star	0	1/0
#Sites re-used	0	0/0
#Units w/ other green	0	0/0
Activity funds eligible for DREF	0	0/0

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

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	2/0	0/0	2/2	100.00
# Owner Households	0	0	0	2/0	0/0	2/2	100.00
# Renter Households	0	0	0	0/0	0/0	0/0	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:	NSP-H001170-LMMI
Activity Title:	Single Family New Construction-LMMI

Activity Category:
Construction of new housing

Activity Status:
Under Way

Project Number:
NSP-H001

Project Title:
Redevelopment

Projected Start Date:
05/15/2011

Projected End Date:
03/02/2014

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Perris

Overall	Jan 1 thru Mar 31, 2014	To Date
Total Projected Budget from All Sources	N/A	\$930,834.85
Total Budget	\$0.00	\$930,834.85
Total Obligated	\$0.00	\$930,834.85
Total Funds Drawdown	\$0.00	\$650,177.14
Program Funds Drawdown	\$0.00	\$650,177.14
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$247,629.85
Total Funds Expended	\$0.00	\$650,177.14
City of Perris	\$0.00	\$650,177.14
Match Contributed	\$0.00	\$0.00

Activity Description:

Location Description:

Activity Progress Narrative:

Accomplishments Performance Measures

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



Beneficiaries Performance Measures

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

