

Grantee: Perris, CA

Grant: B-11-MN-06-0525

July 1, 2014 thru September 30, 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	\$0.00	\$1,342,680.33
Program Funds Drawdown	\$0.00	\$1,265,600.56
Program Income Drawdown	\$0.00	\$77,079.77
Program Income Received	\$0.00	\$305,403.85
Total Funds Expended	\$0.00	\$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:

There were no expenditures that incurred during the reporting period of July 1 through September 30, 2014. During the reporting period, City staff discussed the next project with NSP Representative (Cielo Castro). A request for proposals is in preparation for a Single Family Acquisition and Rehabilitation project, and progress will be reported in the next 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-H002 / Acquisition and Rehabilitation

Grantee Activity Number: H002170-LMMI

Activity Title: Single Family Acquisition and Rehabilitation

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP-H002

Projected Start Date:

03/02/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition and Rehabilitation

Projected End Date:

03/01/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Perris

Overall	Jul 1 thru Sep 30, 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 City of Perris will release a Request for Proposals from qualified developers to acquire and rehabilitate single family foreclosed homes for sale to low, moderate, and middle income households within the two target areas in downtown Perris. It is the City's policy to award business contracts to companies located in and/or owned in substantial part by persons residing within the designated target areas. Residents of the target areas will be provided, to the greatest extent feasible, employment and training opportunities emanating from such contracts. City staff will connect businesses with the Riverside County CalWorks GAIN office to enlist their support in recruiting, hiring, and training persons living in the target areas. After acquisition and rehabilitation is completed, if the City cannot sell the units produced; the City may exercise the option to rent the units using the maximum rent limits allowed for affordable units in accordance with Section 95.252 of HUD HOME program regulations for households at or below 80% AMI. The HUD fair market rent limits will be used for households with incomes between 81% and 120% of AMI.

Location Description:



Activity Progress Narrative:

City staff is in progress of a request for proposal for acquisition and rehabilitation of one single family unit located within City of Perris limits.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/0
#Energy Star Replacement	0	0/0
#Additional Attic/Roof Insulation	0	0/0
#High efficiency heating plants	0	0/0
#Efficient AC added/replaced	0	0/0
#Replaced thermostats	0	0/0
#Replaced hot water heaters	0	0/0
#Light Fixtures (indoors) replaced	0	0/0
#Light fixtures (outdoors)	0	0/0
#Refrigerators replaced	0	0/0
#Clothes washers replaced	0	0/0
#Dishwashers replaced	0	0/0
#Units with solar panels	0	0/0
#Low flow toilets	0	0/0
#Low flow showerheads	0	0/0
#Units with bus/rail access	0	0/0
#Units exceeding Energy Star	0	0/0
#Sites re-used	0	0/0
#Units deconstructed	0	0/0
#Units & other green	0	0/0
Activity funds eligible for DREF	0	0/0
# ELI Households (0-30% AMI)	0	0/0

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

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

