

Grantee: Perris, CA

Grant: B-11-MN-06-0525

July 1, 2011 thru September 30, 2011 Performance Report

Grant Number:

B-11-MN-06-0525

Obligation Date:**Grantee Name:**

Perris, CA

Award Date:**Grant Amount:**

\$1,342,449.00

Contract End Date:

03/02/2014

Grant Status:

Active

Review by HUD:

Submitted - Await for Review

QPR Contact:

Darren Madkin

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 of a multi-family affordable development 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.

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 20 homes and currently owns 6 properties 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.

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. On new construction projects the minimum affordability requirement will be 20-years.

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 | \$1,342,449.00 |
| Total CDBG Program Funds Budgeted | N/A | \$1,342,449.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Program Funds Obligated | \$0.00 | \$0.00 |
| Program Funds Expended | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$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 | \$0.00 |
| Limit on State Admin | \$0.00 | \$0.00 |

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 | \$335,613.00 |

Overall Progress Narrative:

For the reporting period 7/1/2011 - 9/30/2011, the City of Perris has begun work on the Single Family New Construction activity which is described in more detail in the activity progress narrative. The Developer of the Perris Station Senior Apartments new construction activity successfully competed for and was awarded California Tax Credits to finance the project which will begin construction in the 1st quarter of 2012, however the use of NSP3 funds will not be required for the project. Additional details on this activity are described in the activity progress narrative. Finally, no funds were expended during this period as reflected throughout the QPR.

Project Summary

| Project #, Project Title | This Report Period | To Date | |
|----------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 9999, Restricted Balance | \$0.00 | \$0.00 | \$0.00 |
| NSP-068-170, Financing Mechanism | \$0.00 | \$1,058,205.00 | \$0.00 |

| | | | |
|-------------------------------|--------|--------------|--------|
| NSP-7101, NSP3 Administration | \$0.00 | \$134,244.00 | \$0.00 |
| NSP-F031, Redevelopment | \$0.00 | \$150,000.00 | \$0.00 |

Activities

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 Benefit (Households)
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 | Jul 1 thru Sep 30, 2011 | To Date |
|-----------------------------------------|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$185,613.00 |
| Total CDBG Program Funds Budgeted | N/A | \$185,613.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Program Funds Obligated | \$0.00 | \$0.00 |
| Program Funds Expended | \$0.00 | \$0.00 |
| City of Perris | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$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 \$50,000 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 seven (7) down payment assistance loans 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:

No funds were expended during this reporting period for Financing Mechanisms LH25.

Accomplishments Performance Measures

| | This Report Period | | Cumulative Actual Total / Expected | |
|-------------------------|--------------------|-------|------------------------------------|-------|
| | | Total | | Total |
| # of Housing Units | | 0 | | 0/7 |
| # of Singlefamily Units | | 0 | | 0/7 |

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 | 0/7 | 0 |
| # Owner Households | 0 | 0 | 0 | 0/0 | 0/0 | 0/7 | 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:
 Planned

Project Number:
 NSP-068-170

Project Title:
 Financing Mechanism

Projected Start Date:
 05/15/2011

Projected End Date:
 03/02/2014

Benefit Type:
 Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:
 NSP Only - LMMI

Responsible Organization:
 City of Perris

| Overall | Jul 1 thru Sep 30, 2011 | To Date |
|------------------------------------------------|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$472,592.00 |
| Total CDBG Program Funds Budgeted | N/A | \$472,592.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Program Funds Obligated | \$0.00 | \$0.00 |
| Program Funds Expended | \$0.00 | \$0.00 |
| City of Perris | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$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 \$50,000 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:

No funds were expended during this reporting period for Financing Mechanisms LMML.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 0/19 |
| # of Singlefamily Units | 0 | 0/19 |

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 | 0/19 | 0 |
| # Owner Households | 0 | 0 | 0 | 0/0 | 0/0 | 0/19 | 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: | F030170 |
| Activity Title: | Perris Station Senior Apartments, New Construction |

Activity Category:
Construction of new housing

Project Number:
NSP-068-170

Projected Start Date:
07/01/2011

Benefit Type:
Direct Benefit (Households)

National Objective:
NSP Only - LMMI

Activity Status:
Planned

Project Title:
Financing Mechanism

Projected End Date:
03/02/2014

Completed Activity Actual End Date:

Responsible Organization:
City of Perris

| Overall | Jul 1 thru Sep 30, 2011 | To Date |
|------------------------------------------------|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$400,000.00 |
| Total CDBG Program Funds Budgeted | N/A | \$400,000.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Program Funds Obligated | \$0.00 | \$0.00 |
| Program Funds Expended | \$0.00 | \$0.00 |
| City of Perris | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

The City of Perris Redevelopment Agency purchased a vacant parcel several years ago within the downtown area and contracted with an affordable housing developer to design, build and operate 80 units of affordable senior housing. The project has competed for 9% tax credits over the last year and the additional subsidy (other than tax credits) has not been high enough for the project to win funding. The City of Perris is proposing to replace a portion of the tax credits with NSP-3 funding in order to raise the 9% tax credit tie breaker and allow the project to receive funding. If the Developer is able to lower the dollar amount request for tax credits and replace this gap with NSP-3 funds, the overall tiebreaker for the 9% tax credits would go up and the project will have a strong chance of being awarded financing.

- The City of Perris Redevelopment Agency already owns the land and is donating it as part of their contribution.
- The project is a mixed use development that will have retail on the bottom floor and affordable senior rental apartments on floors 2-4. All NSP-3 funding will go towards construction costs on floors 2-4 only (housing only).
- The project has additional funding sources including approx \$18M in tax credit equity, \$6M in RDA funding, \$1M in County funding and \$800k in a transit oriented development grant
- The project site is located in the City's downtown area, across the street from the City of Perris Senior Center, a public library and City Hall
- The proposed project is a Transit Oriented Development that will be located approximately 1000 feet from the newly completed Perris Multimodal (train/bus) station which will begin rail service in 2013.
- This project provides the City of Perris with the greatest opportunity to leverage the NSP-3 funds and make a strong centralized impact with 80-units all meeting the income requirements of NSP
- 20 units will be reserved for tenants at or below 50% AMI in order to meet the 25% NSP rule
- The City of Perris has already entered into a DDA with the selected affordable housing developer and all City Council approvals needed for funding have been completed
- The project is fully entitled and has gone through all Planning Commission approvals and public hearings
- The project scores at 20 using the HUD mapping tool and is also part of the City of Perris downtown specific plan
- The City will require the developer, contractor and sub-contractors to contact the Cal WORKS GAIN office for Riverside County, Kim Bracy, for local vicinity hire opportunities within Perris and the surrounding communities.
- New construction will meet 2010 California Green Standards available at <http://www.documents.dgs.ca>.

Location Description:

Project Name: Perris Downtown
 Block Group: 060659245056700042800U1; 060659245056700042800U2; 060659245056700042800U3
 Total neighborhood housing units: 1198
 Neighborhood NSP3 Score: 20.00
 State minimum threshold NSP3 Score: 17

Activity Progress Narrative:

The Developer of this project, TELACU, was awarded 9% California Tax Credits in September 2011 for construction of 84 units of senior housing. The program requirements needed to meet NSP3 labor compliance would substantially impact the Developers other outside funding sources. While the project will be constructed, the Developer has withdrawn their request to partner with the City in the NSP3 program. No funds were expended during this reporting period.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|---------------------------------------|--------------------|------------------------------------|
| | Total | Total |
| #Units with solar panels | 0 | 0/0 |
| #Low flow toilets | 0 | 0/10 |
| #Low flow showerheads | 0 | 0/10 |
| #Units with bus/rail access | 0 | 0/10 |
| #Units exceeding Energy Star | 0 | 0/0 |
| #Sites re-used | 0 | 0/0 |
| #Units w other green | 0 | 0/0 |
| Activity funds eligible for DREF (Ike | 0 | 0/0 |

| | This Report Period | Cumulative Actual Total / Expected |
|------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 0/10 |
| # of Multifamily Units | 0 | 0/10 |

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 | 0/10 | 0 |
| # Renter Households | 0 | 0 | 0 | 0/0 | 0/0 | 0/10 | 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: | F031170-LH25 |
| Activity Title: | Single Family New Construction |

| | |
|-------------------------------------------------------------|----------------------------------------------------|
| Activity Category: Construction of new housing | Activity Status: Planned |
| Project Number: NSP-F031 | Project Title: Redevelopment |
| Projected Start Date: 05/15/2011 | Projected End Date: 03/02/2014 |
| Benefit Type: Direct Benefit (Households) | Completed Activity Actual End Date: |
| National Objective: NSP Only - LH - 25% Set-Aside | Responsible Organization: City of Perris |

| Overall | Jul 1 thru Sep 30, 2011 | To Date |
|------------------------------------------------|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$150,000.00 |
| Total CDBG Program Funds Budgeted | N/A | \$150,000.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Program Funds Obligated | \$0.00 | \$0.00 |
| Program Funds Expended | \$0.00 | \$0.00 |
| City of Perris | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$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 one (1) single family home in the Perris Downtown target area on a City owned vacant parcel. The non profit partner will assist the City of Perris in leveraging NSP3 funds with private donation of building materials, landscaping, energy efficient fixtures, and labor. The City of Perris Redevelopment Agency will donate an existing vacant parcel for use on this project. The non profit housing developer will build the home on the donated parcel. Once the home is completed, the City and non profit partner will provide an income qualified family the opportunity to purchase the home. Very low income households will be targeted at or below 50% of AMI towards meeting the LH 25% requirement. There will be recorded deed restrictions and/or CC&R's on the unit to ensure continued affordability. Program income generated by the sale will be used to implement additional NSP3 activities. The City plans to partner with the Inland Valley Habitat for Humanity and the development of a memorandum of understanding is being prepared to finalize the responsibilities for the construction of the home.

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:

On July 12, 2011, at a duly noticed public meeting of the City of Perris City Council, the City Council authorized the engagement of a qualified developer to construct a single family home as part of this activity. A request for proposals to construct the home was released on August 4, 2011 and bids were subsequently opened August 28, 2011. The low and only

bidder for the project was the Habitat for Humanity Inland Valley (HFHIV). The terms of a contract were negotiated and a draft document was circulated for comment and final approval by HFHIV and the City of Perris. City staff prepared a notice of exemption for the project dated September 27, 2011. The RROF was published September 28, 2011 and submitted for approval at the HUD local office in Los Angeles, CA. No funds were expended during this reporting period for new construction for LH25 to redevelop demolished or vacant properties.

Accomplishments Performance Measures

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

| | 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 | 0/0 | 0 |
| # Owner Households | 0 | 0 | 0 | 0/0 | 0/0 | 0/0 | 0 |
| # 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-7101 |
| Activity Title: | NSP3 Administration |

Activity Category:

Administration

Project Number:

NSP-7101

Projected Start Date:

05/15/2011

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Planned

Project Title:

NSP3 Administration

Projected End Date:

03/02/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Perris

| Overall | Jul 1 thru Sep 30, 2011 | To Date |
|------------------------------------------------|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$134,244.00 |
| Total CDBG Program Funds Budgeted | N/A | \$134,244.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Program Funds Obligated | \$0.00 | \$0.00 |
| Program Funds Expended | \$0.00 | \$0.00 |
| City of Perris | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This activity is for grant administration of the NSP3 funds.

Location Description:

N/A

Activity Progress Narrative:

Administrative activity only. No funds were expended during this reporting period for oversight and management of the program.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

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 | |
