

CITY OF VISALIA, CALIFORNIA

THE NSP SUBSTANTIAL AMENDMENT

AMENDMENT: ADDITION OF ELIGIBLE USE “E”

<p>Jurisdiction(s): City of Visalia (<i>identify lead entity in case of joint agreements</i>)</p> <p>Jurisdiction Web Address: www.visalia.city (<i>URL where NSP Substantial Amendment materials are posted</i>) See below</p>	<p>NSP Contact Person: Randy Groom Address: 220 N Santa Fe Visalia, California 93291</p> <p>Telephone: (559) 713-4312 Fax: (559) 713-4800 Email: randy.groom@visalia.city</p> <p>Second Contact: Rhonda Haynes, Housing Specialist, 707 West Acequia, Visalia, CA 93291; (559)713-4460; rhonda.haynes@visalia.city</p>
<p>http://www.visalia.city/depts/finance/housing_n_cdbg_services/publications_n_reports/neighborhood_stabilization_program.asp</p>	

This Amendment to the Action Plan for the Neighborhood Stabilization Program 1 is hereby further amended to include the following:

Visalia has exceeded the NSP requirements, including set aside requirements through acquisition, rehabilitation and resell of single family properties to income qualifying households in both categories (up to 50% ami and between 51%- 120% ami). The City was also successful in these income categories.

The City of Visalia is nearing closeout of its Neighborhood Stabilization Program (NSP1) and is proposing to reallocate approximately \$225,000 in Neighborhood Stabilization Program 1 (NSP1) funds from recaptured program income and available funds obligated for acquisition, rehabilitation and resell of foreclosed homes through Habitat for Humanity.

The market has changed substantially since the original grant was awarded; where there are very limited opportunities to make offers on foreclosed homes in the NSP1 targeted area. NSP1 funds not expended must be obligated to NSP1 eligible activities in order to meet Federal NSP1 grant requirements. The City has been presented with a proposal to acquire and rehabilitate a vacant structure for a transitional/respite bridge public facility in Visalia, CA, which meets NSP1 requirements.

NSP1 funds will be used for the acquisition /rehabilitation of a 22-bed public facility for transitional /respite bridge housing facility for low income adults who are homeless or at risk of homelessness under the Eligible Use “E”- Redevelopment vacant properties. The property is located within the NSP1 target area, with a proposed location on 1627 S. Garden Street (or comparable facility located elsewhere in a NSP1 target area). The

facility will be used by persons with income who meet the NSP1 income limits at or below 120% area median income. The Owner will be required to certify the incomes of the tenants at the time of occupancy, which the City will review for compliance.

The City acknowledges the proposal and shall allow the Developer (owner- Self Help Enterprises, Inc.) or an affiliate entity that is solely controlled and managed by the Developer (an LLC or 501c3 organization herein referred to as an “affiliate”) to manage operations for the day-to day needs and also contract and work with a non-profit service provider (i.e. Turning Point) who will provide wrap around supportive services such as case management, housing referrals, and substance abuse/mental health referrals to the tenants. The City will underwrite the project, review income upon initial occupancy only, approve the property management policy and cash flow and reserves as needed. Beneficiaries for this amended activity will be persons with incomes below the maximum for the NSP1 program who are in need of transitional housing or respite bridge housing. The non-profit will be responsible for affirmatively marketing the available units to marginalized subpopulations in the City of Visalia, who may not have otherwise availed themselves of the services provided. Should there be any client or housing fees, they will be approved by the City for affordability and reasonableness. Since this action adds a new eligible activity and new identified beneficiaries, the City has determined that a formal program amendment is required.

The City proposes to amend the NSP1 Action Plan 2008, to: 1) Add Eligible Use Activity (“E”) Redevelopment for a Public Facility; 2) redirect Neighborhood Stabilization Program (NSP1) Funding from Habitat for Humanity (Habitat) to Self Help Enterprises under eligible use “E” activity; 3) and provide remaining funding (approximately \$225,000) to an eligible Non-Profit Developer (Self Help Enterprises, Inc.) for use of NSP1 funds toward acquisition and/or rehabilitation of a Public Facility to be owned and operated by the Non –Profit for transitional/respite bridge housing.

NSP NEW ACTIVITY DETAILS

A. AREAS OF GREATEST NEED

The property is within the identified “Area of Greatest Need” – NSP1 Boundaries.

B. DISTRIBUTION AND USES OF FUNDS

The City will provide NSP assistance to a Non-Profit Developer for the purpose of acquiring, rehabilitating, owning and managing a vacant property for the use as a public facility for transitional or bridge housing, respite facility. City Staff will work with the Developer related to underwriting, including detailed documentation to support their acquisition and rehabilitation.

1) *ELIGIBLE ACTIVITY FROM THE NSP REGULATIONS:*

- NSP Eligible Use “E”- Redevelopment vacant properties

2) *CORRELATED ELIGIBLE ACTIVITY FROM THE CDBG ENTITLEMENT REGULATIONS:*

The correlated eligibility activity from the CDBG Entitlement Regulations for the use of the NSP funding is as follows:

- 24 CFR 570.201 (c) Public facilities and improvements.

C. DEFINITIONS AND DESCRIPTIONS

- 1) *Describe how the grantee will ensure continued affordability for NSP assisted property*

The Property will be subject to a Restriction Agreement which will be recorded against the property. The Agreement shall run with the land and shall bind Owner and all of Owner's successors in interest as owners of the Property.

- 2) *Describe housing rehabilitation standards that will apply to NSP assisted activities.*

The City of Visalia's Building Department conducts inspections to confirm that the rehabilitation of properties meet California Building Code requirements. The policy follows local and state regulations and codes, housing quality and habitability standards for rehabilitation.

D. LOW INCOME TARGETING

The public facility will meet the LMMA national objective. The project will be within an NSP Targeted area, for households at or below 120% of the area median income. The facility will be used by NSP1 eligible beneficiaries. Majority if not all clients will have income certifications from the non-profit.

E. ACQUISITIONS & RELOCATION

As previously indicated the public facility will be acquired by a Non-profit agency, or an affiliate entity, for operations. The non-profit agency will rehabilitate the facility for transitional and/or bridge housing. They will also work with a service provider to provide supportive services to the tenants.

The number of units- one (1) and there is no intention to demolish units.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

During the 30 day noticing of this proposed NSP Substantial Amendment, staff provided information regarding the amendment at three (3) community committee meetings, listed below, and the public in general were invited to attend. As identified in the Citizens

Participation Plan, the community committees, Citizens Advisory Committee, Disability Advocacy Committee and Northern Visalia Neighborhood Advisory Committee, along with the general public. The community comments and City Staff responses shall be included.

Staff also presented the NSP1 Amendment at the City Council public hearing meeting, held on Monday, September 17, 2018, held at the City Hall, Council Chambers, 707 West Acequia, Visalia, CA, at 7:00 p.m.

In addition to inviting the public and committees, Staff published the public hearing notice in the Visalia Times Delta and El Sol. The notice was also posted at City Hall East, West and Administration, and Public Library and the City's website. A copy of the public notice is attached as Exhibit "A".

PROPOSED

ACTIVITY NO. (#) – Self Help Project NSP INFORMATION BY ACTIVITY (NEW ACTIVITY- ADDED)

- (1) Activity Name: Redevelopment- A transitional/ respite bridge public facility to be purchased and rehabilitated which is a vacant real property. The facility may be a vacant building to be rehabilitated or newly constructed on vacant land. Uses to be transitional housing or respite bridge housing. The Owner (Non-Profit- Self Help Enterprises, Inc.) and/or its affiliate entity, will also contract with a service provider (i. e Turning Point, KDDH, Family Services and/or CSET, Kings/Tulare Homeless Alliance)
- (2) Activity Type: Redevelopment. The identified NSP eligible uses and the CDBG eligible activity's are as follows:
 - *NSP: §2301(c)(3)(E) redevelop demolished or vacant properties*
 - *CDBG: 24 CFR 570.201(a) Acquisition; (b) Disposition, (c) Public facilities and improvements.*
- (3) National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).*

Low Moderate and Middle Income Area (LMMA): The City of Visalia will provide NSP1 funding to a non-profit developer to acquire and rehabilitate a transitional/ respite bridge public facility to provide a benefit within the NSP1 Target area where residents/tenants are at or below 120% area median income (ami). The facility will be used by persons with income who meet the NSP1 income limits at or below 120% area median income. The Owner will be required to certify the incomes of the tenants at the time of occupancy, which the City will review for compliance.

- (4) Projected Start Date: *September 2018*
- (5) Projected End Date: *December 2019*
- (6) Responsible Organization: *(Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)*

HUD has designated the City of Visalia as an entitlement city and a Participating Jurisdiction. The City of Visalia will provide the remaining NSP funding to a qualified non-profit Developer (i.e. Self Help Enterprises, Inc.) (as defined under 24 CFR 570.202 (b) (1)), to acquire (site control), rehabilitate and own a public facility for transitional and/or respite bridge housing.

The City acknowledges the proposal and shall allow the Developer (owner- Self Help Enterprises, Inc.) or an affiliate entity that is solely controlled and managed by the Developer (an LLC or 501c3 organization herein referred to as an “affiliate”) to manage operations for the day-to day needs and also contract and work with a non-profit service provider (i.e. Turning Point) who will provide wrap around supportive services such as case management, housing referrals, and substance abuse/mental health referrals to the tenants. The City will underwrite the project, review income upon initial occupancy only, approve the property management policy and cash flow and reserves as needed. Beneficiaries for this amended activity will be persons with incomes below the maximum for the NSP1 program who are in need of transitional housing or respite bridge housing. The non-profit will be responsible for affirmatively marketing the available units to marginalized subpopulations in the City of Visalia, who may not have otherwise availed themselves of the services provided. Should there be any client or housing fees, they will be approved by the City for affordability and reasonableness. Since this action adds a new eligible activity and new identified beneficiaries, the City has determined that a formal program amendment is required.

Location and contact information is as follows:

City Contact:

City of Visalia
Randy Groom, City Manager
220 N Santa Fe Street
Visalia, California 93291
Duns#030999866

Staff Contact:

Randy Groom, City Manager (559) 713-4312
Renee Nagel, Finance Director (559) 713-4375
Rhonda Haynes, Housing Specialist (559) 713-4460

Non-Profit Developer:

Self Help Enterprises, Inc.

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Proposed property is located at 1627 S Garden, (or comparable facility located elsewhere in a NSP1 target area boundaries).

(8) Activity Description:

This activity will address neighborhood stabilization in the NSP1 Boundaries through the acquisition and rehabilitation of a Public Facility for Transitional or Respite/Bridge housing for low income adults who are homeless or at risk of homelessness under the Eligible Use “E”- Redevelopment vacant properties.

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

(9) Total Budget: (Include public and private components)

NSP1 funds will be **\$225,000** program funds and program income but could increase slightly if additional program income is received during project negotiations of the funding agreement. The total costs associated with acquisition and rehabilitation is approximately \$1,000,000. Other potential sources of funding for the project include conventional financing, Developer capital, foundation resources, private donations, HUD Continuum of Care funding, Emergency Solutions Grant funds and operational lease payments.

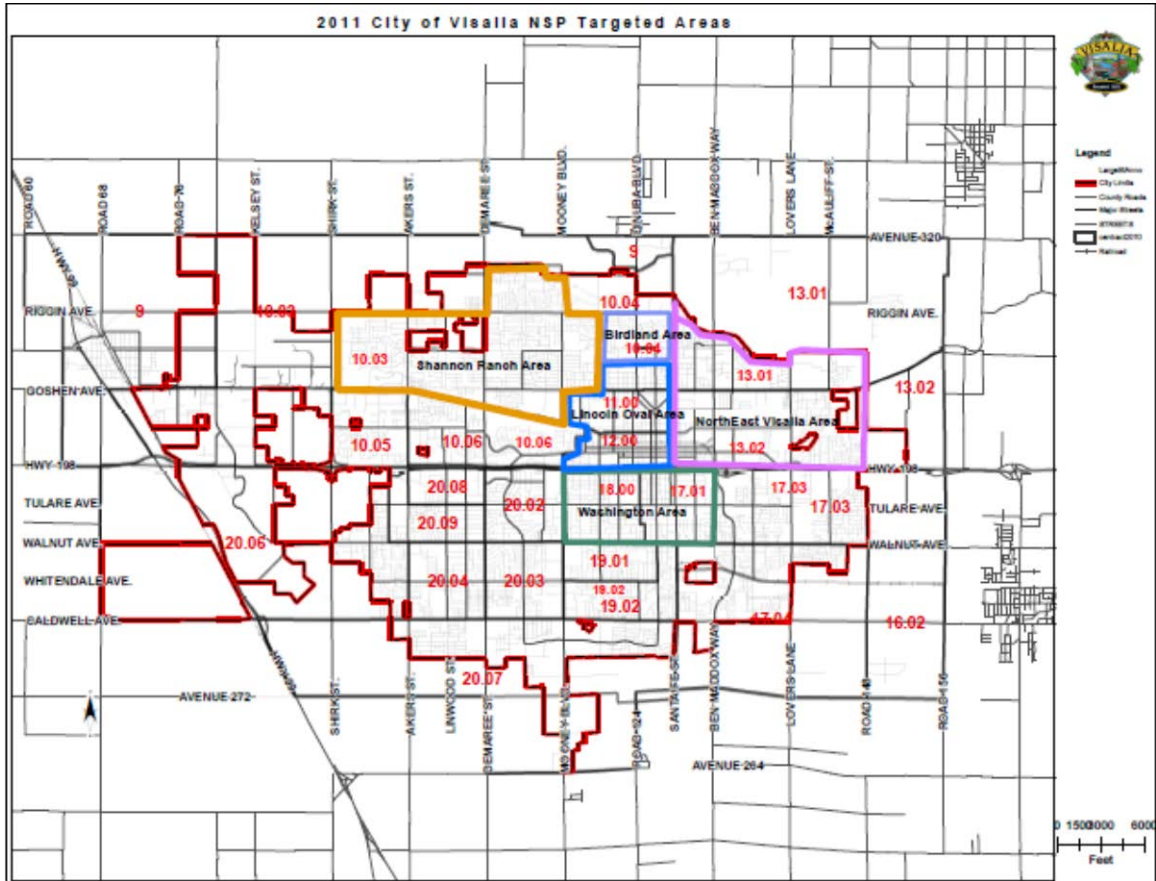
(10) Performance Measures: (Include public and private components)

The purchase and subsequent redevelopment of the vacant property. The project will include site(s) that are vacant and/or underutilized, which are generally a target of vandals bringing down property values in the surrounding neighborhoods and increasing crime due to its vacancy. The redevelopment of a site with an experienced non-profit developer, for use as a public facility for transitional or respite bridge housing, will stabilize the property values but also provide much needed housing for Visalia's most affected homeless or at risk of homeless population, including those with needed medical attention and/or referrals to mental health and/or substance abuse services. Additional services will be provided through a contract between Self Help and a service provider.

Exhibit "A", NSP1 Target Area Map
Exhibit "B", Public Hearing Notice

EXHIBIT "A"

MAP - NSP1 TARGET AREA



PRO

**EXHIBIT "B":
PUBLIC HEARING NOTICE**

PROPOSED