

**Grantee: Visalia, CA**

**Grant: B-08-MN-06-0011**

**October 1, 2017 thru December 31, 2017 Performance**

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**Grant Number:**

B-08-MN-06-0011

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

Visalia, CA

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

Reviewed and Approved

**Grant Award Amount:**

\$2,388,331.00

**Grant Status:**

Active

**QPR Contact:**

Rhonda Haynes

**LOCCS Authorized Amount:**

\$2,388,331.00

**Estimated PI/RL Funds:**

\$3,500,000.00

**Total Budget:**

\$5,888,331.00

## Disasters:

### Declaration Number

NSP

## Narratives

### Areas of Greatest Need:

Housing and Recovery Act of 2008 (HERA) for the purpose of assisting in the redevelopment of abandoned and foreclosed homes. Neighborhood Stabilization Program (NSP, treated as CDBG funds). Priority to areas of greatest need 1) with greatest percentage of foreclosures, 2) with the highest percentage of homes financed with sub prime loans; 3) identified as likely to face a significant rise in the rate of home foreclosures

### Distribution and and Uses of Funds:

City of Visalia NSP Acquisition, Rehabilitation and Resell Program (Areas up to 120% AMI) - \$1,550,000.  
 City of Visalia NSP Acquisition, Rehabilitation and Resell Program - This activity specifically benefits families with income at or below 50% of the AMI- the \$600,000 (597,082.75 minimum) set aside for 50% AMI and below. The required 25 % set aside in the amount of \$597,082.75 shall be utilized through the following:  
 Grant funds amount of \$261,825.32 (0011-B) and Program Income in the amount of \$335,257.43 shall be utilized to fill the gap to comply with the required 25% set aside.  
 Minor Amendments option to sell to Non-profit agency or rent.  
 \$480,000 has been approved by City Council for Habitat for Humanity to acquire foreclosed homes, rehabilitate and resell to very low income households. This is part of the 25% set aside funding for households at or below 50% ami.  
 Funds from 210 NW 2nd shall be returned. Funds in the amount of \$338,174.68 shall be placed back into the 25% set aside balance to acquire foreclosed homes and resell to households earning 50% ami and below. May 15, 2012 Notation.  
 Notation: \$250,000 of the \$755,000 set aside for Habitat has been redirected toward set aside for City acquisitions. Memo on file. Program Income will be redirected to Habitat to continue their efforts.  
 Note: May 20, 2013 Decreased 0011-A budget by \$300,000, redirected to 0011-B in order to carryout activities for households at or below 50% ami.  
 November 17, 2014 returned \$250,000 back to Habitat to continue their efforts from PI received from the resell of City acquired, rehabilitation and resold NSP properties.  
 Allocated additional \$50,000 in PI, as authorized through the November 17th approval referenced above.  
 Jan 17, 2017 NSP Amendment- added additional \$180,000, plus \$30,000 to Habitat. Additional remaining PI may be directed to HfH by memo. Amendment included allowing Habitat to sell to households up to 120% ami.

### Definitions and Descriptions:

(1) Definition of "blighted structure" in context of state or local law. Under the Federal Register / Vol. 73, No. 194 / Monday, October 6, 2008 / Notices, "Blighted structure", is defined as: "A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare."  
 Under the City of Visalia, City Municipal Code, Chapter 15.44, Housing Standards, "Blighted Structures" may be interpreted as the definition under 15.44.020, "Housing quality standards" which reads: "means the existence of any buildings or structures which are structurally unsafe or which constitute a fire hazard or which otherwise adversely affect the health, safety or wellbeing of a human life, or which in relation to existing use constitute a hazard to safety or health or public welfare by reason of inadequate maintenance, dilapidation, obsolescence, fire or disaster damage, rodent infestation, or abandonment, as defined in Section 17920.3 of the California Health and Safety Code."  
 Under the State of California, Health and Safety Code, Section 17920.3 reads: "Any building or portion thereof including any dwelling unit, guestroom or suite of rooms, or the premises on which the same is located, in which there exists any of the



following listed conditions to an extent that endangers the life, limb, health, property, safety, or welfare of the public or the occupants thereof shall be deemed and hereby is declared to be a substandard building".

(2) Definition of "affordable rents." The City will follow the requirements of the program funding and ensure compliance with the Fair Market Rents and utilize the HOME Program Rent Limits for the NSP Program. These requirements were established at the inception of the program and required by HUD to obtain the 2008 HERA Act funding. Visalia-Porterville, CA MSA

Also included are the HOME Program Rent limits for reference. HOME Rent Limits Requirement: Qualification as Affordable Housing: Rental Housing - 24 CFR 92.252

Housing is considered to be affordable if gross housing costs (gross = rent + utility) are 30% or less of a person's income. For assisted housing projects, rents are set to be affordable to households at specific levels (Very Low Income, Low Income, etc.). Rents are adjusted higher for larger units and lower for smaller units according to formulas set by the Federal government. Rent limits for assisted housing are for gross rents. The actual rents charged to tenants are calculated by subtracting utility allowances from the gross rents. It is not the City of Visalia's initial intent to purchase rental properties, however, if the market dictates the need, rental properties will be considered and the City will follow the regulation based upon funding sources.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing. Upon purchasing homes at a discount rate (up to 1% discount from the appraised market value), there will be a difference in the cost and value. Also, if the property requires rehabilitation, to bring the property into compliance with State and Local laws, additional NSP fund

### Definitions and Descriptions:

ing will be invested into the property. Upon preparing for the sale of the home, the purchase price will comply with the requirements of HERA and the NSP regulations. The borrower will obtain a first mortgage, at an affordable rate and terms from a local lender. The borrower may carry a second mortgage. An affordability covenant will be placed upon the property for a period of 15 years

If a borrower is unable to obtain a first mortgage the City shall act as the Beneficiary (carrying the first mortgage). The loan will be serviced and monitored through the City's loan servicing agency, AmeriNational Community Services, Inc. The Property will be subject to a Resale Restriction Agreement and Right of First Refusal. The Agreement shall run with the land and shall bind Owner and all of Owner's successors in interest as owners of the Property.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities. The City of Visalia worked with its Building Division to amend its city assisted, housing rehabilitation standard work specification standards in 2007 and continues to update with current (2011) building code requirements. The policy follows local and state regulations and codes. The City will follow the standards, just as it does with its existing housing rehabilitation CDBG and HOME funded programs.

### Low Income Targeting:

Approximately \$600,000 (\$597,082.75), will be reserved to assist in purchasing properties, again, in areas of greatest need, and then rehabilitated, thereafter, resold to families with income not exceeding 50% of AMI. As relayed above City council approved an agreement with Habitat for Humanity December 19, 2011 for \$480,000 to acquire foreclosed homes, rehabilitate, and resell to very low (50% ami and below) AMI households.

Habitat received authorization for an amendment to increase of \$275,000 in November 2012. Their total allocation is now \$755,000. This action was approved.

As per recent notification by HUD regional office, the October 19, 2010 rule where 25% of PI received moving forward is to be added to the set aside, has now been revised to state that 25% of all PI from the inception of the program is to be set aside for households at or below 50% ami. The total set aside requirement as of December 31, 2012 is: \$1,293,907.28. Of this amount, both City staff and Habitat are working to acquire, rehabilitate and resell homes to households at or below 50% of the area median income.

November 17, 2014 \$250,000 of PI was returned to Habitat to continue their efforts of acquiring, rehabilitating and reselling homes to households at or below 50% ami.

Janu 17, 2017, Substantial Amendment approved Habitat to also assist households up to 120% ami. Additional funding up to \$180k, with additional \$30k if available.

### Acquisition and Relocation:

It is not the City's initial goal to utilize NSP funding to demolish substandard housing, however, if the market indicates that there is a higher demand and need, the city will consider this approach with revolved NSP funding.

(1) Activity Name: City of Visalia NSP Acquisition, Rehabilitation and Resell Program (Areas up to 120% AMI) and (Areas 0-50% AMI)

(2) Activity Type: (include NSP eligible use & CDBG eligible activity) The Activity type is "Purchase and Rehabilitation". The identified NSP eligible uses and the CDBG eligible activities are as follows:

- NSP: §2301(c)(3)(B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed, in order to sell, rent, or redevelop such homes and properties; and  
CDBG: 24 CFR 570.201(a) Acquisition; (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance (as modified below); 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).  
And "Financing Mechanism",

- NSP: §2301(c)(3)(A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate- income homebuyer

CDBG: As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206. Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out.

(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).

Additional Activity Type Acquisition, construction, reconstruction of public facilities (Technical Amendment)



**Public Comment:**

The original 2008 Action Plan Amendment: Staff coordinated a public community meeting, held on Wednesday, October, 29, 2008, held at the City Hall, Council Chambers from 6:00 p.m. to 7:30 p.m. The community’s four (4) committees, listed below, and the public in general were invited to attend. As identified in the Citizens Participation Plan, the community committees, Citizens Advisory Committee, Northern Visalia Neighborhood Committee, Disability Advocacy Committee and Washington for a Better Community Committee, along with the general public. 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 North, Post Office and Public Library.

Minor Amendments: Are published on the City’s website and are provided in memo form. If any public comment is received it is noted.

Council approved, December 19, 2011, \$480k of the 25% set aside for Habitat for Humanity to acquire, rehab and resell to very low income households.

Council reviewing amendment to agreement between Habitat for Humanity and City for a minor technical amendment to their agreement (May 21, 2012)

City Council reviewed and approved amendments with Habitat for Humanity. reflected on the website. See Habitat for Humanity activity for copies of Council approvals and various amendments to the agreement.

reduced balance in activity 0011-A to actual.6-28-16

Substantial Amendment-January 17, 2017: Added \$180k to Habitat for Humanity, and also allow minor amendment by memo if additional pi remains; Habitat may also assist households up to 120% ami. See attached Council report

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
Total Projected Budget from All Sources	N/A	\$5,887,720.72
Total Budget	\$0.00	\$5,887,720.72
Total Obligated	\$0.00	\$5,868,870.75
Total Funds Drawdown	\$2,073.70	\$5,463,610.08
Program Funds Drawdown	\$0.00	\$2,211,228.46
Program Income Drawdown	\$2,073.70	\$3,252,381.62
Program Income Received	\$9,447.68	\$3,362,907.83
Total Funds Expended	\$2,790.94	\$5,438,371.86
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

**Progress Toward Required Numeric Targets**

<b>Requirement</b>	<b>Target</b>	<b>Actual</b>
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$358,249.65	\$0.00
Limit on Admin/Planning	\$238,833.10	\$504,654.48
Limit on State Admin	\$0.00	\$504,654.48
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$1,472,082.75	\$1,777,819.53

**Overall Progress Narrative:**

Activity:                               City:               Habitat:  
Acquired, Rehabbed & Resold:     34 SFR's        8 SFR's  
Habitat still searching.



# Project Summary

Project #, Project Title

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP -B, Acquisition, rehab, resell	\$0.00	\$5,888,331.00	\$2,211,228.46



## Activities

**Project # / Title:** NSP -B / Acquisition, rehab, resell

**Grantee Activity Number:** 0011-A- HfH NSP 120%

**Activity Title:** 0011-A HfH NSP 51% to 120%

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP -B

**Projected Start Date:**

01/17/2017

**Benefit Type:**

Direct ( Household )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Acquisition, rehab, resell

**Projected End Date:**

02/28/2019

**Completed Activity Actual End Date:**

**Responsible Organization:**

Habitat for Humanity of Tulare County

Overall	Oct 1 thru Dec 31, 2017	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$349,225.00
<b>Total Budget</b>	\$0.00	\$349,225.00
<b>Total Obligated</b>	\$0.00	\$349,225.00
<b>Total Funds Drawdown</b>	\$0.00	\$155,350.32
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$155,350.32
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$0.00
Habitat for Humanity of Tulare County	\$0.00	\$0.00
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Habitat to acquire foreclosed single family properties, rehabilitate and resell to households up to 120% ami. A property transaction will be redirected to this activity. Additional property(ies) may be under this category. Additional funding provided to HfH, approved through public hearing, citizen participation process and council approval. Funds pulled from 0011-B of \$180K approved by CC jan 2017

**Location Description:**

Habitat for Humanity will be acquiring foreclosed single family homes in the City's approved NSP targeted boundaries:

- "Washington School Neighborhood Area": Census Tract blocks within 17.01 and 18.00 bound by Noble Avenue/Hwy 198 East to Ben Maddox Way, South to Walnut Avenue, West to Mooney Boulevard, North to Noble



Ave/Hwy 198.

- "Lincoln Oval Park Neighborhood Area": Census Tract areas (all block groups) 10.04.2, 10.04.4, 11.00.1, 11.00.2, 11.00.3, 11.00.4, 12.00.1 and 12.00.5; Bound by Noble/Hwy 198, West to Mooney Boulevard, North to Houston east to Giddings, North to Ferguson, East to Santa Fe, South to Noble/Hwy 198
- "Northeast Visalia Area": Census Tracts blocks within 13.01 and 13.02: Starting from Santa Fe at Noble/Hwy 198, North to Riggin, East along St Johns Way to Road 148 9within City limits), South to Noble, West to Santa Fe.
- "Birdland Area": Census map Tracts (block groups) 10.04.1 and 10.04.3. bound by Giddings, Riggin Avenue, Santa Fe and Ferguson
- "Shannon Ranch Area": Census Tract 10.03: The boundary shall be all blocks with Tract 10.03: Starting from Goshen Avenue, heading West to Shirk (Road 92), north to Riggin, East to to Demaree, North to Pratt, east to Mooney Boulevard, south to Riggin, East to Giddings, South to Houston, West to Mooney, south back to Goshen Avenue. (within City limits)

### Activity Progress Narrative:

no activity from 10-1- to 12-31- 17

### 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	



<b>Grantee Activity Number:</b>	<b>0011-B- HFH NSP</b>
<b>Activity Title:</b>	<b>0011-B HFH NSP 25% set aside</b>

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

NSP -B

**Projected Start Date:**

12/19/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Acquisition, rehab, resell

**Projected End Date:**

03/01/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

Habitat for Humanity of Tulare County

<b>Overall</b>	<b>Oct 1 thru Dec 31, 2017</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$743,000.00
<b>Total Budget</b>	\$0.00	\$743,000.00
<b>Total Obligated</b>	\$0.00	\$743,000.00
<b>Total Funds Drawdown</b>	\$550.00	\$628,950.81
<b>Program Funds Drawdown</b>	\$0.00	\$40,574.06
<b>Program Income Drawdown</b>	\$550.00	\$588,376.75
<b>Program Income Received</b>	\$9,447.68	\$93,303.31
<b>Total Funds Expended</b>	\$1,200.00	\$766,321.45
Habitat for Humanity of Tulare County	\$1,200.00	\$766,321.45
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Habitat for Humanity will be acquiring foreclosed homes, rehabilitating and reselling to households, at or below 50% ami. The City partnered with Habitat for Humanity, December 19, 2011, for the use of NSP funding to acquire foreclosed single family dwellings, rehabilitate and resell to households at or below 50% of the area median income. The City provides NSP funding to Habitat for the costs associated with the acquisition, soft costs, rehabilitation and developer fees. The borrower works with Habitat for their sweat equity contribution. The borrower makes loan payments for 30 years. The program recently was revised to allow more flexibility for loans to be carried up to 40 years. The loans are secured by a Deed of Trust, Note, Truth in Lending and an affordability Covenant is recorded on the property for 15 years.

included as attachments are the amendments to the Habitat activities and agreements

**Location Description:**

Habitat for Humanity will be acquiring foreclosed single family homes in the City's approved NSP targeted boundaries. Census Tracts & Eligible Areas for the Purchase of Foreclosed Properties  
 •“Washington School Neighborhood Area”:Census Tract blocks within 17.01 and 18.00 bound by Noble Avenue/Hwy 198 East to Ben Maddox Way, South to Walnut Avenue, West to Mooney Boulevard, North to Noble Ave/Hwy 198.





•“Lincoln Oval Park Neighborhood Area”:Census Tract areas (all block groups) 10.04.2, 10.04.4, 11.00.1, 11.00.2,

11.00.3,11.00.4, 12.00.1 and 12.00.5; Bound by Noble/Hwy 198, West to Mooney Boulevard, North to Houston east to Giddings, North to

Ferguson, East to Santa Fe, South to Noble/Hwy 198

•“Northeast Visalia Area”:Census Tracts blocks within 13.01 and 13.02: Starting from Santa Fe at Noble/Hwy 198, North to Rigglin,

East along St Johns Way to Road 148 9within City limits), South to Noble, West to Santa Fe.

•“Birdland Area”:Census map Tracts (block groups) 10.04.1 and 10.04.3. bound by Giddings, Rigglin Avenue, Santa Fe and Ferguson

•“Shannon Ranch Area”:Census Tract 10.03: The boundary shall be all blocks with Tract 10.03: Starting from Goshen Avenue,

heading West to Shirk (Road 92), north to Rigglin, East to to Demaree, North to Pratt, east to Mooney

### Activity Progress Narrative:

Two draws completed between 10-1 and 12-31-17 total \$1,200.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	7/5

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	7/5
# of Singlefamily Units	0	7/5

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	7/5	0/0	7/5	100.00
# Owner Households	0	0	0	7/5	0/0	7/5	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

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**Grantee Activity Number:** 0011-C

**Activity Title:** 0011-C

**Activity Category:**

Administration

**Project Number:**

NSP -B

**Projected Start Date:**

03/01/2009

**Benefit Type:**

( )

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Acquisition, rehab, resell

**Projected End Date:**

09/30/2010

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Visalia

<b>Overall</b>	<b>Oct 1 thru Dec 31, 2017</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$570,860.00
<b>Total Budget</b>	\$0.00	\$570,860.00
<b>Total Obligated</b>	\$0.00	\$570,860.00
<b>Total Funds Drawdown</b>	\$1,523.70	\$504,654.48
<b>Program Funds Drawdown</b>	\$0.00	\$182,439.76
<b>Program Income Drawdown</b>	\$1,523.70	\$322,214.72
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$1,590.94	\$499,617.78
City of Visalia	\$1,590.94	\$499,617.78
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

HERA indicated that an amount of up to 10% of an NSP grant provided to the City and upto 10% of program income earned may be used for general administration and planning activities as defined at 24 CRF 570.205 and 206. An enormous amount of work required with respect to marketing the program, completing the initial property purchase, packaging loan documents, conducting inspections, environmental review and work with realtors, lenders and title companies.

**Location Description:**

City of Visalia- administration

**Activity Progress Narrative:**

total admin draws from 10-1 through 12-31 \$\$1,590.94. 2 draws completed.

**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

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