

Grantee: Visalia, CA

Grant: B-08-MN-06-0011

January 1, 2022 thru March 31, 2022 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: Submitted - Await for Review |
| Grant Award Amount: \$2,388,331.00 | Grant Status: Active | QPR Contact: No QPR Contact Found |
| LOCCS Authorized Amount: \$2,388,331.00 | Estimated PI/RL Funds: \$3,590,766.30 | |
| Total Budget: \$5,979,097.30 | | |

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

1. 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 reate of home foreclosures. NSP Substantial Amendment- Public Facility - Eligible Use "E". Area of greatest need: NSP1 Boundaries.

Distribution and and Uses of Funds:

City of Visalia NSP Acquisition, Rehabilitation and Resell Program (Areas up to 120% AMI) - \$1,550,000 and NSP Acquisition, Rehabilitation and Resell Program. (Income at or below 50% of the AMI) \$600,000 (597,082.75 minimum).The required 25 % set aside: 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.

Funding approved for Habitat for Humanity (HfH) to acquire foreclosed homes, rehabilitate and resell to very low income households. Part of the 25% set aside funding for households at or below 50% ami.

May 15, 2012: 210 NW 2nd funding returned. \$338,174.68 placed back into the 25% set aside Acquisition, resell to households up to 50% AMI.

Minor Amendments, including option to sell to Non-profit agency or rent, and funding adnd agreement amendments between City and HfH are included.

Substantial Amendment- added Eligible Use "E" Redevelopment Vacant Property- Garden Street. Public Facility as transitional/bridge housing for homeless or at risk of homelessness. Correlated eligible activity from the CDBG Entitlement Regulation- for the use of the NSP funding is: 24 CFR 570.201 (c) Public Facilities and improvements.

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 funding 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. NSP

Low Income Targeting:

Funding was reserved to assist in purchasing properties, in areas of greatest need, and then rehabilitated, thereafter, resold to families with income not exceeding 50% of AMI. City council approved an agreement with Habitat for Humanity December 19, 2011, November 2012, November 17, 2014 and January 17, 2017 for funding to acquire foreclosed homes, rehabilitate, and resell to very low (50% ami and below) and also above 50% to 120% AMI households.

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.

NSP Substantial Amendment- for Public Facility (Garden Street Project):

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.

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)

NSP Substantial Amendment- Garden Street Project:

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.

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

Substantial Amendment- Added Public Facility (activity). public hrg and noticing completed. 9-17-18; Loan agreements executed August 23, 2019.

Minor Amendment - increased Public facility funding by \$40,000 See memo March 27, 2020.



| Overall | This Report Period | To Date |
|--|--------------------|----------------|
| Total Projected Budget from All Sources | \$0.00 | \$5,968,960.54 |
| Total Budget | \$0.00 | \$5,968,960.54 |
| Total Obligated | \$0.00 | \$5,922,518.71 |
| Total Funds Drawdown | \$0.00 | \$5,842,571.49 |
| Program Funds Drawdown | \$0.00 | \$2,374,912.82 |
| Program Income Drawdown | \$0.00 | \$3,467,658.67 |
| Program Income Received | \$0.00 | \$3,507,742.63 |
| Total Funds Expended | \$0.00 | \$5,792,171.99 |
| HUD Identified Most Impacted and Distressed | \$0.00 | \$0.00 |
| Other Funds | \$ 0.00 | \$ 0.00 |
| Match Funds | \$ 0.00 | \$ 0.00 |
| Non-Match Funds | \$ 0.00 | \$ 0.00 |

Funds Expended

| Overall | This Period | To Date |
|---------------------------------------|-------------|-----------------|
| City of Visalia | \$ 0.00 | \$ 3,362,896.13 |
| City of Vislaia | \$ 0.00 | \$ 1,374,821.56 |
| Habitat for Humanity of Tulare County | \$ 0.00 | \$ 829,454.30 |
| Self Help Enterprises, Inc | \$ 0.00 | \$ 225,000.00 |

Progress Toward Required Numeric Targets

| Requirement | Target | Projected | Actual |
|--|----------------|--------------|----------------|
| Overall Benefit Percentage | 99.99% | .00% | .00% |
| Minimum Non Federal Match | \$.00 | \$.00 | \$.00 |
| Overall Benefit Amount | \$5,435,095.74 | \$.00 | \$.00 |
| Limit on Public Services | \$358,249.65 | \$.00 | \$.00 |
| Limit on Admin/Planning | \$238,833.10 | \$543,458.00 | \$542,695.64 |
| Limit on Admin | \$.00 | \$543,458.00 | \$542,695.64 |
| Most Impacted and Distressed | \$.00 | \$.00 | \$.00 |
| Progress towards LH25 Requirement | \$1,494,774.33 | | \$1,832,220.25 |

Overall Progress Narrative:

No additional housing units acquired, rehabbed or resold. No draws or program income receipts in this quarter.

Project Summary

| Project #, Project Title | This Report | To Date | |
|---|------------------------|------------------------|------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 9999, Restricted Balance | \$0.00 | \$0.00 | \$0.00 |
| ADMIN, Administration | \$0.00 | \$0.00 | \$0.00 |
| Eligible Use "E"-Redevelopment Vacant Property, 0011-D- | \$0.00 | \$262,054.52 | \$163,263.95 |
| NSP -B, Acquisition, rehab, resell | \$0.00 | \$5,676,710.97 | \$2,211,648.87 |



