

# Grantee: Visalia, CA

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

### January 1, 2024 thru March 31, 2024 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:**

Margie Perez

**LOCCS Authorized Amount:**

\$2,388,331.00

**Estimated PI/RL Funds:**

\$3,638,942.26

**Total Budget:**

\$6,027,273.26

## 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. NSP Substantial Amendment - Financing Mechanisms - Eligible Use "A". Area of greatest need in 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.

Substantial Amendment - Added Eligible Use "A" Financing Mechanisms as 0% interest 30-year deferred loan for purchase up to five (5) single family homes constructed on vacant land to be sold to households at or below 80% AMI. April 17, 2023, Council approved \$128,186 (approximately \$120,000 in NSP program income funds and any additional program income received) for first-time homebuyer assistance for newly constructed single-family homes on NW 5th Avenue and N Court Street. Minor Amendment - A minor amendment added \$13,418 in remaining program funds; as result, the Eligible Use "A; Financing Mechanisms total is increased to \$141,604 in NSP funds in efforts of closing out the 2008 NSP1 grant.

### 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 anda 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 50% 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.

NSP Substantial Amendment for NW 5th Avenue Project

Five single family homes were constructed with the use of HOME funds on vacant land in an NSP areas of greatest need on NW 5th Avenue and N Court Street. On April 17, 2023, Council approved \$128,186 in NSP1 program income (approximately \$120,000 and any additional NSP program income received) to be used as First-Time Homebuyer Assistance for households at 80% of the area median income or lower to assist in the purchase of the newly constructed single family homes on NW 5th Avenue and N Court Street. This project will meet the Low-Moderate and Middle-Income (LMMH) national objective. Minor Amendment - A minor amendment was completed to include \$13,418 in remaining NSP1 program funds, bring the total to \$141,604 in NSP1 funds for LMMH project.

### **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.

NSP Substantial Amendment - NW 5th Avenue Project

Five single family homes were constructed on vacant land in an NSP areas of greatest need on NW 5th Avenue and N Court Street. The five single family homes will be sold to household at or below 80% of the area median income level and will carry a 30-year affordability covenant.

### **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.

Substantial Amendment - April 17, 2023: Added \$128,186 in NSP1 program income (approximately \$120,000 and any additional program income received) for a First-Time Homebuyer Assistance program for up to five (5) single family homes constructed in a NSP1 target area on NW 5th Avenue and N Court Street. The public comment period took place from March 17, 2023 through April 17, 2023. The City held a public hearing on April 3, 2023, a community meeting on April 5, 2023, and a final public hearing on April 17, 2023. English and Spanish public notices were published in the Visalia Times Delta newspaper on March 15, March 17, and March 31, 2023. No public comments were received during the 30-day public comment period. Minor Amendment - A minor amendment was conducted in compliance with Visalia approved Citizen Participation Plan in a memo form and posted on the City's website for an increase or decrease of already approved project(s) through a formal substantial amendment process.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	(\$11,572.46)	\$6,020,421.67
<b>Total Budget</b>	(\$11,572.46)	\$6,020,421.67
<b>Total Obligated</b>	(\$11,572.94)	\$6,007,322.78
<b>Total Funds Drawdown</b>	\$25,347.30	\$5,991,846.68
<b>Program Funds Drawdown</b>	\$0.00	\$2,388,331.00
<b>Program Income Drawdown</b>	\$25,347.30	\$3,603,515.68
<b>Program Income Received</b>	\$29,092.61	\$3,622,685.29
<b>Total Funds Expended</b>	\$0.00	\$5,792,171.99
<b>HUD Identified Most Impacted and Distressed</b>	\$0.00	\$0.00
<b>Other Funds</b>	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

### Funds Expended

<b>Overall</b>	<b>This Period</b>	<b>To Date</b>
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

<b>Requirement</b>	<b>Target</b>	<b>Projected</b>	<b>Actual</b>
<b>Overall Benefit Percentage</b>	99.99%	.00%	.00%
<b>Minimum Non Federal Match</b>	\$.00	\$.00	\$.00
<b>Overall Benefit Amount</b>	\$5,471,726.03	\$.00	\$.00
<b>Limit on Public Services</b>	\$358,249.65	\$.00	\$.00
<b>Limit on Admin/Planning</b>	\$238,833.10	\$555,000.00	\$543,282.31
<b>Limit on Admin</b>	\$.00	\$555,000.00	\$543,282.31
<b>Most Impacted and Distressed</b>	\$.00	\$.00	\$.00



## Overall Progress Narrative:

During this quarter the final 111 NW 5th Avenue home drawdown was completed.

## 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 "A" Financing Mechanisms, "A" Financing	\$0.00	\$141,604.00	\$12,649.89
Eligible Use "E"-Redevelopment Vacant Property, 0011-D-	\$0.00	\$262,017.72	\$163,263.95
NSP -B, Acquisition, rehab, resell	\$0.00	\$5,604,001.06	\$2,212,417.16

## Activities

**Project # / Eligible Use "A" Financing Mechanisms / "A" Financing**



# Grantee Activity Number: 0011-A Financing Mechanisms

## Activity Title: A - Financing Mechanisms

**Activity Type:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

Eligible Use "A" Financing Mechanisms

**Projected Start Date:**

04/01/2023

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Completed

**Project Title:**

"A" Financing Mechanisms

**Projected End Date:**

06/30/2024

**Completed Activity Actual End Date:**

**Responsible Organization:**

Self Help Enterprises, Inc

Overall	Jan 1 thru Mar 31, 2024	To Date
<b>Total Projected Budget from All Sources</b>	(\$11,772.47)	\$141,604.48
<b>Total Budget</b>	(\$11,772.47)	\$141,604.48
<b>Total Obligated</b>	(\$11,772.95)	\$141,604.00
<b>Total Funds Drawdown</b>	\$24,240.10	\$141,604.00
<b>Program Funds Drawdown</b>	\$0.00	\$12,649.89
<b>Program Income Drawdown</b>	\$24,240.10	\$128,954.11
<b>Program Income Received</b>	\$29,092.61	\$74,047.13
<b>Total Funds Expended</b>	\$0.00	\$0.00
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00

**Activity Description:**

Financing mechanisms to purchase up to 5 newly constructed single family homes on vacant land in NSP1 area of greatest need boundaries on NW 5th Avenue and N Court Street. NSP assisted homes will be sold to households at or below 80% AMI and will be their primary residence. NSP first time homebuyer assistance loans will be provided at 0% interest deferred for 30-years. A 30-year affordability covenant shall be recorded each home to maintain affordability.

**Location Description:**

**Activity Progress Narrative:**

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures**



## Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

## Activity Locations

No Activity Locations found.

### Other Funding Sources

	<b>Amount</b>
NSP	\$0.01
Total Other Funding Sources	\$0.00

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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**Activity Supporting Documents:** None

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

## Grantee Activity Number: 0011-B- HFH NSP

### Activity Title: 0011-B HFH NSP 25% set aside

#### Activity Type:

Rehabilitation/reconstruction of residential structures

#### Project Number:

NSP -B

#### Projected Start Date:

12/18/2011

#### Benefit Type:

Direct ( HouseHold )

#### National Objective:

NSP Only - LH - 25% Set-Aside

#### Activity Status:

Under Way

#### Project Title:

Acquisition, rehab, resell

#### Projected End Date:

06/30/2024

#### Completed Activity Actual End Date:

#### Responsible Organization:

Habitat for Humanity of Tulare County

Overall	Jan 1 thru Mar 31, 2024	To Date
<b>Total Projected Budget from All Sources</b>	(\$83.99)	\$670,409.47
<b>Total Budget</b>	(\$83.99)	\$670,409.47
<b>Total Obligated</b>	(\$83.99)	\$670,409.47
<b>Total Funds Drawdown</b>	\$800.00	\$654,952.17
<b>Program Funds Drawdown</b>	\$0.00	\$41,399.06
<b>Program Income Drawdown</b>	\$800.00	\$613,553.11
<b>Program Income Received</b>	\$0.00	\$131,316.69
<b>Total Funds Expended</b>	\$0.00	\$652,202.17
<b>Most Impacted and Distressed Expended</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 Riggins,

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, Riggins 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 Riggins, East to to Demaree, North to Pratt, east to Mooney

### Activity Progress Narrative:

### Accomplishments Performance Measures

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

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

### Beneficiaries Performance Measures

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

### Activity Locations

**No Activity Locations found.**

#### Other Funding Sources

No Other Funding Sources Found

### Other Funding Sources Budgeted - Detail

**No Other Match Funding Sources Found**

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**Activity Supporting Documents:** None





**Grantee Activity Number: 0011-C**  
**Activity Title: 0011-C**

**Activity Type:**

Administration

**Project Number:**

NSP -B

**Projected Start Date:**

02/28/2009

**Benefit Type:**

N/A

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Acquisition, rehab, resell

**Projected End Date:**

06/30/2024

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Visalia

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2024</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$284.00	\$304,970.11
<b>Total Budget</b>	\$284.00	\$304,970.11
<b>Total Obligated</b>	\$284.00	\$543,301.11
<b>Total Funds Drawdown</b>	\$307.20	\$543,282.31
<b>Program Funds Drawdown</b>	\$0.00	\$182,803.46
<b>Program Income Drawdown</b>	\$307.20	\$360,478.85
<b>Program Income Received</b>	\$0.00	\$1,583.23
<b>Total Funds Expended</b>	\$0.00	\$535,285.06
<b>Most Impacted and Distressed Expended</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 inital 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:**

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures**



## Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

## Activity Locations

No Activity Locations found.

## Other Funding Sources

No Other Funding Sources Found

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

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**Activity Supporting Documents:** None