

Grantee: Visalia, CA

Grant: B-08-MN-06-0011

April 1, 2010 thru June 30, 2010 Performance Report

Grant Number:

B-08-MN-06-0011

Obligation Date:**Grantee Name:**

Visalia, CA

Award Date:**Grant Amount:**

\$2,388,331.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Submitted - Await for Review

QPR Contact:

No QPR Contact Found

Disasters:**Declaration Number**

NSP

Plan Description:

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).

Recovery Needs:

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.

Overall**This Report Period****To Date**

Total Projected Budget from All Sources	N/A	\$2,388,331.00
Total CDBG Program Funds Budgeted	N/A	\$2,388,331.00
Program Funds Drawdown	\$87,357.69	\$1,843,312.80
Obligated CDBG DR Funds	\$350,000.00	\$2,388,331.00
Expended CDBG DR Funds	\$315,984.56	\$1,843,312.79
Match Contributed	\$0.00	\$0.00
Program Income Received	\$420,812.38	\$1,164,739.58
Program Income Drawdown	\$103,554.82	\$140,327.93

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	37.50%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$358,249.65	\$0.00
Limit on Admin/Planning	\$238,833.10	\$55,768.02
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$597,082.75	\$600,000.00

Overall Progress Narrative:

Acquired 21 foreclosed properties acquired, including the four-plex. Breakdown of 21 properties are as follows:

- 12 resold properties to families below 120% AMI
- 1 four-plex under rehabilitaiton (for families at or below 50% AMI)
- 4 properties in negotiations and/or escrow for resell to income qualifying families
- 1 under rehabilitation
- 1 finalizing bid tour for rehab
- 2 in escrow to acquire- waiting for closing of escrow and 1 in negotiation to acquire.

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
ADMIN, Administration	\$12,987.82	\$238,331.00	\$55,768.03
NSP -B, Acquisition, rehab, resell	\$74,369.87	\$2,150,000.00	\$1,787,544.77

Activities

Grantee Activity Number: 0011-A

Activity Title: 0011-A

Activity Category:

Acquisition - general

Project Number:

NSP -B

Projected Start Date:

03/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Acquisition, rehab, resell

Projected End Date:

09/30/2010

Responsible Organization:

City of Visalia

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,550,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,550,000.00
Program Funds Drawdown	\$0.00	\$1,550,000.00
Obligated CDBG DR Funds	\$0.00	\$1,550,000.00
Expended CDBG DR Funds	\$228,626.88	\$1,550,000.00
City of Visalia	\$228,626.88	\$1,550,000.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$420,812.38	\$1,164,739.58
Program Income Drawdown	\$103,554.82	\$140,327.93

Activity Description:

City of Visalia NSP Acquisition, Rehabilitation and Resell Program (Areas up to 120% AMI) - \$1,550,000. As indicated above, the five neighborhoods that the City of Visalia will be initially targeting are the Washington School area neighborhood, Lincoln Oval area neighborhoods, Northeast Visalia Area, Birdland and Shannon Ranch. The neighborhoods are all within identified areas with the greatest need. The activities shall include acquisition of vacant, abandoned and foreclosed properties. The properties shall be evaluated by the City of Visalias building inspector to identify health and safety issues. The City shall follow the rules and regulations of the NSP funding in acquiring properties. It is the intent to purchase the property at a discount (between 5% -15%) below the appraised market value. The appraisal shall be conducted (meeting the 60 day requirement). The housing related activities involved with the acquisition of the property may include rehabilitation. Upon preparing the home for resale, the properties will be made available to families meeting the program guidelines. Due to the purchase discount, an affordability covenant will be placed upon the property based upon 5% to 15% discount value for a 30 to 45 year term and a first right of refusal clause. The borrower would obtain a first mortgage through a local lender that meets the requirements of the program (must provide a fixed rate mortgage) or possibly through one of the lending institutions that the City is working with to provide the new borrower with a first mortgage. The City will make no profit in the turnover of the property to a new homeowner. It is the intent of the use of NSP funding to stabilize communities and rebuild neighborhoods. It is also the intent to look to the lending institutions, such as those listed above, to finance the first mortgage for the new borrower. In the event the borrower is not financed through a local lender, the City will serve as the Lender/Mortgagee (first mortgage, below market fixed rate of interest (between 3% - 6%) 30 year term), incorporating a right of first refusal in all mortgage documents. The family will be required to meet loan underwriting criteria, similar to a lending institution. Dependent upon the borrowers family income and cost of the home and qualifications, the borrower may also need gap financing. The City will provide a second mortgage with the use of HOME, CalHome or Redevelopment Low/Mod funding to qualified families, with a below market interest rate of 3% to 4%. The City will be incorporating affordability covenants as required, in addition to an equity share mechanism through a second mortgage, following regulations applicable to the funding source utilized. The first Activity- (G1) is to acquire, rehabilitate and resell properties in areas of greatest need up to 120% AMI. Approximately \$1,550,000 will be addressing this activity. It is also the Citys goal to acquire, rehabilitate and resell properties to families with income levels up to 50% AMI, working through Habitat for Humanity, Self Help Enterprises and CSET to obtain buyers with income levels at or below 50% of the AMI. Approximately \$600,000 of the NSP Funds shall address the needs of families with income at or below 50% AMI. This is referenced in the second active (G2).

Location Description:

Within the City of Visalia citylimits. Areas of concentration are those with the greatest need, which include two neighborhoods in which we are focusing our initial energies toward revitalization. The two targeted neighborhoods are Washington School and Lincoln Oval Park neighborhoods. The Washington School neighborhood lies within Census Tract areas 17.01.1, 17.01.2,

17.01.3, 17.01.4, 17.01.5, 18.00.1, 18.00.2. The second area Lincoln Oval Park neighborhood, which lies within Census Tract areas, including block groups 10.04.2, 10.04.4, 11.00.1, 11.00.2, 11.00.3. This is another area in which the city has been concentrating its efforts to address the needs of families in the community. Efforts include community outreach in collaboration with our Park & Recreation, Police, Engineering and Neighborhood Preservation Departments. Census Tract 11.00.4 is immediately adjacent to the Oval Park area. Also, contiguous to the Lincoln Oval Park area are Census Tracts 12.00.1 and 12.00.5. These Census Tracts are an extension of the Oval Park Area, to the south. The three additional areas that the City will address with the greatest needs and most impact are on the northeast and northwest sides of Houston Avenue. These areas are known as the Northeast Visalia Area, bound by Santa Fe, St Johns Parkway, Pinkham alignment and Douglas; Birdland, bound by Giddings, Riggin Avenue, Santa Fe and Ferguson; and Shannon Ranch, bound by Demaree, Riggin Avenue, Giddings up to Mooney Boulevard and Goshen Avenue. The ages of the homes vary from 20 years or more, to less than 10 years. Statistical data depicted through the attached maps support adding these three areas to the program, as well as desire from the Visalia City Council. During the public hearing held on November 3, 2008, City Council directed staff to expand its boundaries if applicable beyond the two neighborhoods to acquire and resell homes that have been foreclosed upon. The City will focus use of the 50% or below AMI funds in the Washington School and/or Lincoln Oval Park neighborhoods where homes tend to be older and less expensive and require the most rehabilitation. With respect to the 50% to 120% AMI funds, the City will acquire foreclosed homes in the Northeast Visalia, Birdland, Shannon Ranch and additional census tracts near the Lincoln Oval Park. These homes tend to be new, higher priced, require fewer improvements, and will resell faster enabling the City to fulfill its goal of recycling dollars. The Northeast Visalia area is identified in the Census map as Tracts 13.01.2 and 13.01.3 and portions of northern blocks of 13.02.1 and 13.02.2. The Birdland area is identified in the Census map as Tracts 10.04.1 and 10.04.3. This area reflects a 7.3% to 8.6% foreclosure/abandonment risk score, 81% up to 100% of the area median income range is 120% AMI or below, predicted 18 month foreclosure rate between 9.3% to 10.5%, USPS Residential Vacancy Rate is approximately 1.2% to 2.2% and a rate between 43% to 48%, Hi Cost Loan Rate Area. The last area Shannon Ranch, is identified in the Census map as Tract 10.03.1 and a portion of 10.03.2.

Activity Progress Narrative:

4 additional properties were resold to 4 families at or below 120%; Income levels this quarter were:

- 51%-60%=1
- 61% -80% =2
- 81%-120%=1

remaining narrative regarding activities are reflected in the overall accomplishments

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	8/10
# of housing units	0	0	4	0/0	0/0	12/10
# of Households benefitting	0	4	4	0/0	12/0	12/10

Activity Locations

Address	City	State	Zip
2322 N Jacob St	Visalia	NA	93291
2429 N Clark	Visalia	NA	93291
2431 N Charter Oak	Visalia	NA	93291
1922 E Harold	Visalia	NA	93291

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: 0011-B

Activity Title: 0011-B

Activity Category:

Acquisition - general

Project Number:

NSP -B

Projected Start Date:

03/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition, rehab, resell

Projected End Date:

09/30/2010

Responsible Organization:

City of Visalia

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$300,000.00
Total CDBG Program Funds Budgeted	N/A	\$300,000.00
Program Funds Drawdown	\$67,127.90	\$67,127.90
Obligated CDBG DR Funds	\$300,000.00	\$300,000.00
Expended CDBG DR Funds	\$67,127.90	\$67,127.90
City of Visalia	\$67,127.90	\$67,127.90
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

City of Visalia NSP Acquisition, Rehabilitation and Resell Program (Areas up to 120% AMI) - This activity specifically benefits families with income at or below 50% of the AMI- \$350,000 of the \$600,000 set aside for 50% AMI and below. The five neighborhoods that the City of Visalia will be initially targeting are the "Washington School area neighborhood", "Lincoln Oval area neighborhoods", "Northeast Visalia Area" and "Birdland" and "Shannon Ranch". The neighborhoods are all within identified areas with the greatest need. The activities shall include acquisition of vacant, abandoned and foreclosed properties. The properties shall be evaluated by the City of Visalia's building inspector to identify health and safety issues. The City shall follow the rules and regulations of the NSP funding in acquiring properties. It is the intent to purchase the property at a discount (between 5% -15%) below the appraised market value. The appraisal shall be conducted (meeting the 60 day requirement). The housing related activities involved with the acquisition of the property may include rehabilitation. Upon preparing the home for resale, the properties will be made available to families meeting the program guidelines. Due to the purchase discount, an affordability covenant will be placed upon the property based upon 1% to 15% discount value for a 15 to 20 year term. The borrower would obtain a first mortgage through a local lender that meets the requirements of the program (must provide a fixed rate mortgage) or possibly through one of the lending institutions that the City is working with to provide the new borrower with a first mortgage. The City will make no profit in the turnover of the property to a new homeowner. It is the intent of the use of NSP funding to stabilize communities and rebuild neighborhoods. It is also the intent to look to the lending institutions, such as those listed above, to finance the first mortgage for the new borrower. In the event the borrower is not financed through a local lender, the City will serve as the Lender/Mortgagee (first mortgage, below market fixed rate of interest (between 3% - 6%) 30 year term), incorporating a right of first refusal in all mortgage documents. The family will be required to meet loan underwriting criteria, similar to a lending institution. Dependent upon the borrower's family income and cost of the home and qualifications, the borrower may also need gap financing. The City will provide a second mortgage with the use of HOME, CalHome or Redevelopment Low/Mod funding to qualified families, with a below market interest rate of 3% to 4%. The City will be incorporating affordability covenants as required, in addition to an equity share mechanism through a second mortgage, following regulations applicable to the funding source utilized. It is the City's goal to acquire, rehabilitate and resell properties to families with income levels up to 50% AMI, working through Habitat for Humanity, Self Help Enterprises and CSET to obtain buyers with income levels at or below 50% of the AMI. Approximately \$350,000 of the \$600,000 NSP Funds shall address the needs of families with income at or below 50% AMI.

Location Description:

Within the City of Visalia citylimits. Areas of concentration are those with the greatest need, which include two neighborhoods in which we are focusing our initial energies toward revitalization. The two targeted neighborhoods are Washington School and Lincoln Oval Park neighborhoods. The Washington School neighborhood lies within Census Tract areas 17.01.1, 17.01.2,

17.01.3, 17.01.4, 17.01.5, 18.00.1, 18.00.2. The second area Lincoln Oval Park neighborhood, which lies within Census Tract areas, including block groups 10.04.2, 10.04.4, 11.00.1, 11.00.2, 11.00.3. This is another area in which the city has been concentrating its efforts to address the needs of families in the community. Efforts include community outreach in collaboration with our Park & Recreation, Police, Engineering and Neighborhood Preservation Departments. Census Tract 11.00.4 is immediately adjacent to the Oval Park area. Also, contiguous to the Lincoln Oval Park area are Census Tracts 12.00.1 and 12.00.5. These Census Tracts are an extension of the Oval Park Area, to the south. The three additional areas that the City will address with the greatest needs and most impact are on the northeast and northwest sides of Houston Avenue. These areas are known as the "Northeast Visalia Area", bound by Santa Fe, St Johns Parkway, Pinkham alignment and Douglas; "Birdland", bound by Giddings, Riggins Avenue, Santa Fe and Ferguson; and "Shannon Ranch", bound by Demaree, Riggins Avenue, Giddings up to Mooney Boulevard and Goshen Avenue. The ages of the homes vary from 20 years or more, to less than 10 years. Statistical data depicted through the attached maps support adding these three areas to the program, as well as desire from the Visalia City Council. During the public hearing held on November 3, 2008, City Council directed staff to expand its boundaries if applicable beyond the two neighborhoods to acquire and resell homes that have been foreclosed upon. The City will focus use of the "50% or below AMI" funds in the Washington School and/or Lincoln Oval Park neighborhoods where homes tend to be older and less expensive and require the most rehabilitation. With respect to the "50% to 120% AMI" funds, the City will acquire foreclosed homes in the "Northeast Visalia", "Birdland", "Shannon Ranch" and additional census tracts near the Lincoln Oval Park. These homes tend to be new, higher priced, require fewer improvements, and will resell faster enabling the City to fulfill its goal of recycling dollars. The "Northeast Visalia" area is identified in the Census map as Tracts 13.01.2 and 13.01.3 and portions of northern blocks of 13.02.1 and 13.02.2. The "Birdland" area is identified in the Census map as Tracts 10.04.1 and 10.04.3. This area reflects a 7.3% to 8.6% foreclosure/abandonment risk score, 81% up to 100% of the area median income range is 120% AMI or below, predicted 18 month foreclosure rate between 9.3% to 10.5%, USPS Residential Vacancy Rate is approximately 1.2% to 2.2% and a rate between 43% to 48%, "Hi Cost Loan Rate Area. The last area "Shannon Ranch", is identified in the Census map as Tract 10.03.1 and a portion of 10.03.2.

Activity Progress Narrative:

acquiring and rehabilitating properties

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/8

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: 0011-B-Multi 210 NW2nd

Activity Title: 0011-B-Multi 210 NW2nd

Activity Category:

Acquisition - general

Project Number:

NSP -B

Projected Start Date:

02/01/2010

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition, rehab, resell

Projected End Date:

09/30/2010

Responsible Organization:

City of Visalia

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$300,000.00
Total CDBG Program Funds Budgeted	N/A	\$300,000.00
Program Funds Drawdown	\$7,241.97	\$170,416.87
Obligated CDBG DR Funds	\$50,000.00	\$300,000.00
Expended CDBG DR Funds	\$7,241.97	\$170,416.87
City of Visalia	\$7,241.97	\$170,416.87
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 specifically to benefit families with income at or below 50% of the AMI.- \$250,000 of the \$600,000 set aside for 50% AMI. The neighborhood is within identified an area with the greatest need. The activities shall include acquisition of vacant, abandoned and foreclosed properties. The properties shall be evaluated by the City of Visalia's building inspector to identify health and safety issues. The City shall follow the rules and regulations of the NSP funding in acquiring properties. It is the intent to purchase the property at a discount (1%) below the appraised market value. The appraisal shall be conducted (meeting the 60 day requirement). The housing related activities involved with the acquisition of the property may include rehabilitation. The property (units) will be made available to families meeting the program guidelines. Due to the purchase discount, an affordability covenant will be placed upon the property for a 20 to 30 year term. The City's goal to provide permanent housing, to stabilize communities and rebuild neighborhoods. working with a non-profit agency as a property manager to monitor and maintain the property . AS of Jan 2010, Council approved the use of \$250k of the \$600k set aside for 50% AMI, for the acquisition of a foreclosed 1-4 unit multifamily unit to rehabilitation & maintain ownership as permanent housing for families at or below 50% AMI

Location Description:

Within the City of Visalia citylimits. The areas of concentration remain the same. Specifically, for this property located at 210 NW 2nd Avenue, it lies within Census Tract 11.00, which is one of the areas of concentration with the greatest need, which include two neighborhoods in which we are focusing our initial energies toward revitalization. The two targeted neighborhoods are Washington School and Lincoln Oval Park neighborhoods. The Washington School neighborhood lies within Census Tract areas 17.01.1, 17.01.2, 17.01.3, 17.01.4, 17.01.5, 18.00.1, 18.00.2. The second area Lincoln Oval Park neighborhood, which lies within Census Tract areas, including block groups 10.04.2, 10.04.4, 11.00.1, 11.00.2, 11.00.3. This is another area in which the city has been concentrating its efforts to address the needs of families in the community. Efforts include community outreach in collaboration with our Park & Recreation, Police, Engineering and Neighborhood Preservation Departments. Census Tract 11.00.4 is immediately adjacent to the Oval Park area. Also, contiguous to the Lincoln Oval Park area are Census Tracts 12.00.1 and 12.00.5. These Census Tracts are an extension of the Oval Park Area, to the south. The City will focus use of the "50% or below AMI" funds in the Washington School and/or Lincoln Oval Park neighborhoods where homes tend to be older and less expensive and require the most rehabilitation.

Activity Progress Narrative:

210 N W 2nd is under rehabilitation- expected completion is Sept 2010

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/1
# of housing units	0	0	0	0/0	0/0	0/4
# of Households benefitting	0	0	0	0/0	0/0	0/4

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: 0011-C

Activity Title: 0011-C

Activity Category:

Administration

Project Number:

ADMIN

Projected Start Date:

03/01/2009

National Objective:

N/A

Activity Status:

Planned

Project Title:

Administration

Projected End Date:

09/30/2010

Responsible Organization:

City of Visalia

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$238,331.00
Total CDBG Program Funds Budgeted	N/A	\$238,331.00
Program Funds Drawdown	\$12,987.82	\$55,768.03
Obligated CDBG DR Funds	\$0.00	\$238,331.00
Expended CDBG DR Funds	\$12,987.81	\$55,768.02
City of Visalia	\$12,987.81	\$55,768.02
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$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 CFR 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:

Performance Measures

No 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
